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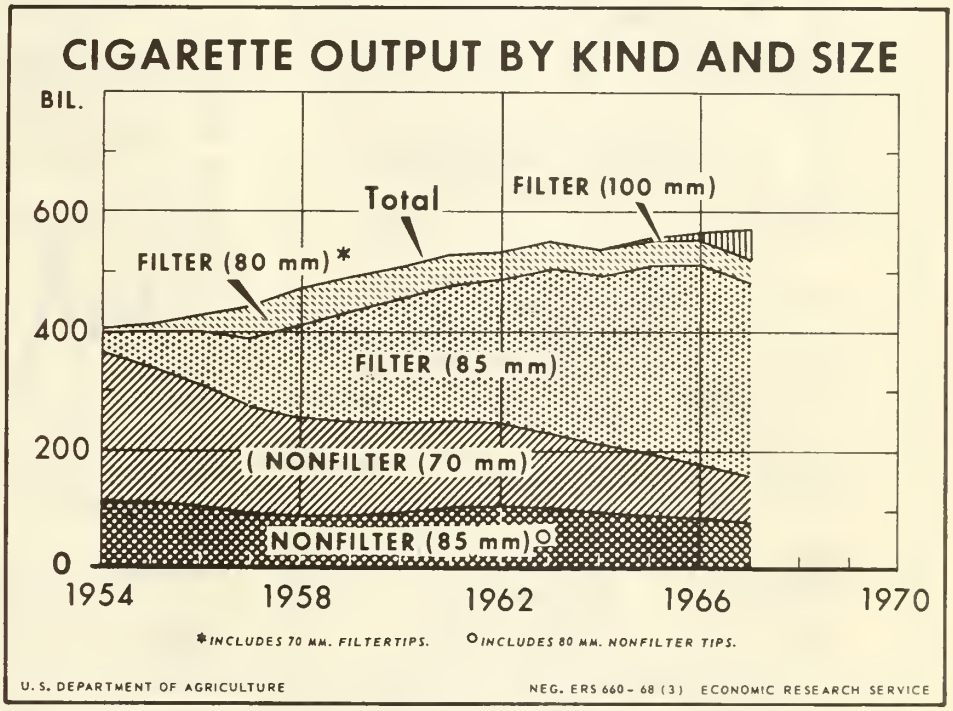
In 1967, U.S. cigarette output was 576 billion. This was 1.6 percent above 1966 and higher than in any previous year. About 72 1/2 percent of 1967 production consisted of filter tip cigarettes--up from 68 percent in 1966. The 100 millimeter filter tip cigarettes made up nearly 10 percent of 1967 output, compared with an estimated 2 percent in 1966.



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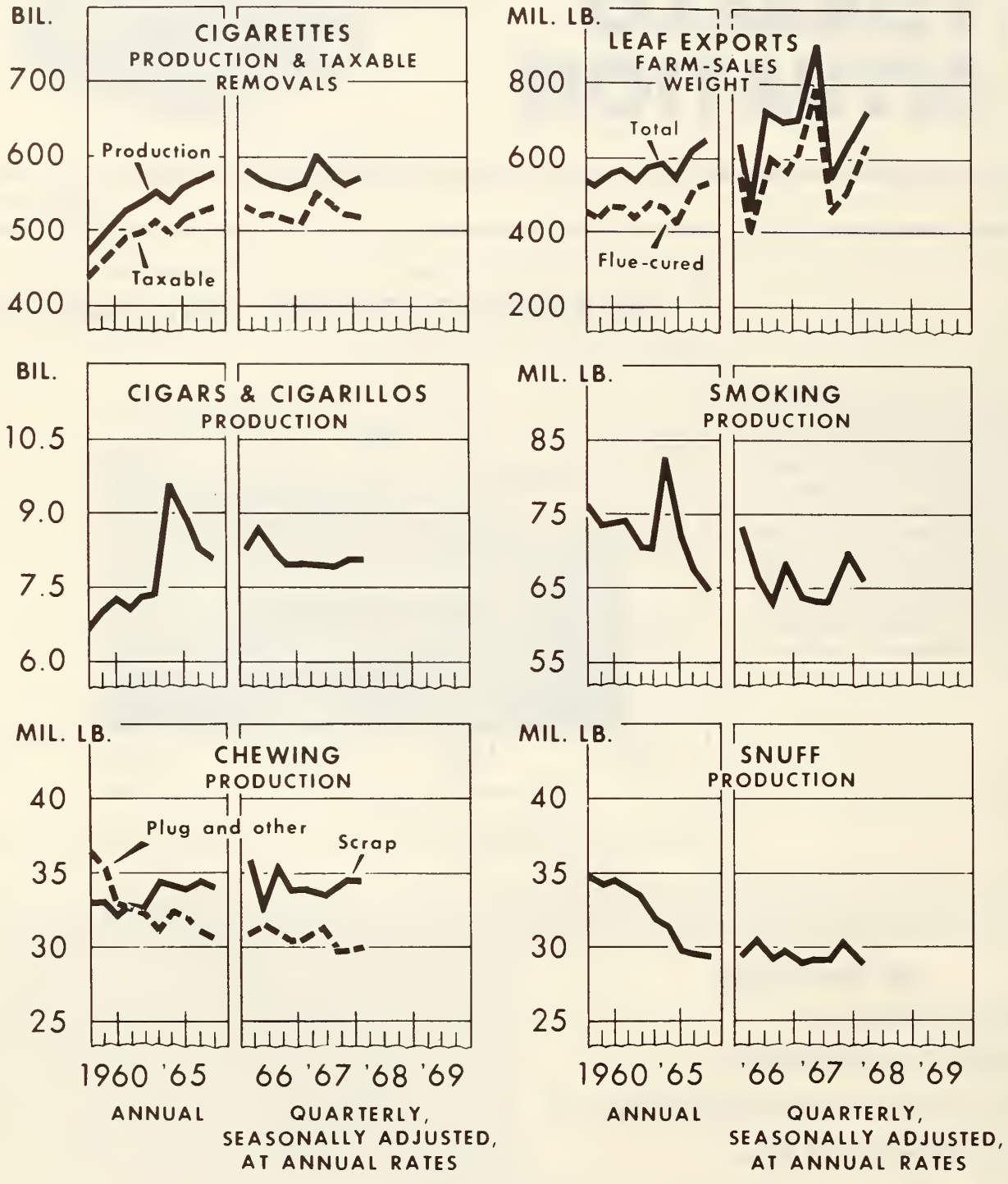
Tobacco Products
Per Capita Consumption
Exports, Imports, Foreign Production
Leaf Supplies and Use

Published quarterly by
ECONOMIC RESEARCH SERVICE ● U.S. DEPARTMENT OF AGRICULTURE

TOBACCO OUTLETS

Recent Trends in Manufactured Products and Exports



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U.S. DEPARTMENT OF AGRICULTURE NEG ERS 229-68 (3) ECONOMIC RESEARCH SERVICE

THE TOBACCO SITUATION

Approved by the Outlook and Situation Board, March 22, 1968

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SUMMARY

Growers intend to plant 11 percent fewer acres of flue-cured tobacco--the leading kind--than last year. The 1968 decrease reflects in part downward adjustments (under the acreage-poundage program) for flue-cured tobacco farms that overmarketed in 1967. In 1967, marketing quotas and matching acreage allotments for many flue-cured farms had been increased because of undermarketings in the previous year.

Production of flue-cured tobacco in 1968 may be about 15 percent below 1967--based on intended acreage and an average yield per acre (adjusted for trend as modified by the restraints of poundage quotas). Although the mid-1968 carryover may be 1 to 2 percent above a year earlier, the expected reduction in 1968 crop marketings would result in a total 1968/69 supply about 4 percent smaller than in 1967/68.

A public hearing on a proposed Federal marketing order for flue-cured tobacco (to regulate its movements from farms to warehouse) was held at 6 locations in the major producing states during February 26-March 8. The U.S. Department of Agriculture is analyzing the record of this hearing.

The 1968 acreage of burley--ranking second in volume--is indicated to be about the same as last year. In a recent referendum, an overwhelming majority (97 percent) of burley growers voting approved continuation of marketing quotas (on an acreage allotment basis) for their 1968, 1969, and 1970 crops.

Allowing for trend in average yields, the intended acreage of burley tobacco would provide a 1968 crop 9 percent above last year's marketings, which were the smallest in 7 years. Per acre yields in 1967 averaged well below the previous year's record. Carryover into 1968/69 is likely to be down about 5 percent. This, together with the indicated production, would provide a total 1968/69 supply 1 percent below 1967/68.

Intended acreage of Maryland tobacco is indicated to be about the same as last year's. Acreage allotments do not apply to the 1968 crop, since less than the required two-thirds majority voted in favor of marketing quotas and acreage allotments in a recent referendum.

Intended acreages of fire-cured and dark air-cured tobacco as of March 1 were down 2 percent and 4 percent, respectively, from last year.

Intended 1968 acreages of Pennsylvania and Ohio cigar filler are indicated to be down 5 and 9 percent, respectively, from 1967; that of Connecticut Valley cigar binder is indicated to be 1 percent larger. Intended acreage of Southern Wisconsin tobacco is unchanged from last year, but acreage of Northern Wisconsin was indicated to be down 9 percent. Intended acreage of Connecticut Valley and Georgia-Florida wrapper may be down 1 and 2 percent, respectively, from 1967.

The 1968 price support levels for eligible tobaccos are about 3 percent higher than in 1967. The increase results from a rise in the parity index (a measure of changes in prices paid by farmers, wages paid hired labor, interest, and taxes). Under the law, price support cannot be offered for the 1968 crops of Maryland and Pennsylvania tobacco, since more than one-third of the growers of each type disapproved marketing quotas in recent referendums.

In 1967, U.S. smokers consumed 549 billion cigarettes--1.5 percent more than in 1966 and more than in any previous year. However, adult per capita consumption, at 4,280 cigarettes (214 packs), was 0.2 percent below 1966 and 1½ percent under the 1963 peak. The 1967 output of filter tip cigarettes (72½ percent of the total) rose nearly 30 billion cigarettes above 1966. This more than offset a 21 billion decline in production of nonfilter tip cigarettes (27½ percent of the total).

Total U.S. cigarette consumption in 1968 may show a modest increase over 1967. An increase in the adult population and comparatively high consumer incomes will be the main contributory factors.

U.S. consumption of cigars and cigarillos in 1967 totaled 8.1 billion--down about 2½ percent from 1966 and 11 percent from the 1964 peak. Consumption still remained more than a tenth above 1963--the long-time high prior to 1964. In 1968, not much change from the 1967 level of consumption is expected.

Consumption of smoking tobacco by U.S. smokers was about 67 million pounds --3 percent below 1966. Roll-your-own cigarettes accounted for an estimated 31 percent of total smoking tobacco consumption. Use of imported smoking tobacco increased further, and made up 5½ percent of total U.S. consumption. U.S. output of chewing tobacco in 1967 totaled about 64 million pounds--1 percent below the preceding year. Snuff output, at 29.3 million pounds, was down slightly.

U.S. exports of unmanufactured tobacco in 1967 totaled 572 million pounds (equivalent to about 642 million pounds, farm-sales weight). They were the largest since 1946 and about 4 percent above 1966. Principal factors contributing to the increase were sanctions against Rhodesian tobacco, improved quality of recent flue-cured crops, and the export payment program that has strengthened the competitive position of U.S. leaf in foreign markets. In the year ending June 30, 1968, U.S. exports of unmanufactured tobacco may total around 575 million pounds (approximately 650 million, farm-sales weight). Although this would be about 8 percent below the 47-year high of 1966/67, exports would otherwise be the largest since 1955/56.

U.S. imports of aromatic cigarette leaf for consumption totaled a record 150½ million pounds in 1967--10 percent above the previous year. Cigarette leaf arrivals (direct entries plus those placed in bond), at 212 million pounds, also were at a new high. This raised U.S. stocks of foreign-grown cigarette leaf on January 1, 1968, well above those of any previous January 1.

TOBACCO PRODUCTS

Cigarettes

In 1967, U.S. smokers (including those overseas) consumed 549 billion cigarettes--1.5 percent more than in 1966 and more than in any previous year. The year-to-year percentage gain, however, was somewhat less than the percentage increase in population of smoking age. Consequently, consumption per capita 18 years and over, at 4,280 cigarettes (214 packs of 20) was slightly below the 1966 level. It was 1½ percent below the 1963 peak of 4,345 (217¼ packs). (See table 3.) Average consumption per smoker would exceed this per capita measure, which is obtained by dividing total consumption by total population 18 years and over.

During the period 1955-63--with but one exception--the year-to-year percentage gains in total U.S. consumption of cigarettes exceeded percentage gains in the population 18 years and over. Per capita consumption during this period rose an average of about 2½ percent a year. In 1964--the year the Surgeon General's report on smoking and health was issued--both total and per capita consumption declined. Although the rise resumed in 1965 and 1966, the annual rate of increase in per capita consumption was considerably below the 1955-63 average.

Total U.S. cigarette consumption in 1968 may show a modest gain over 1967. An increase in population of smoking age, high levels of consumer income, and heavier overseas shipments will be contributing factors.

During the last 6 months of 1967, cigarette taxes were increased in 9 States, including California (which raised its tax from 3 to 10 cents a pack in 2 stages).

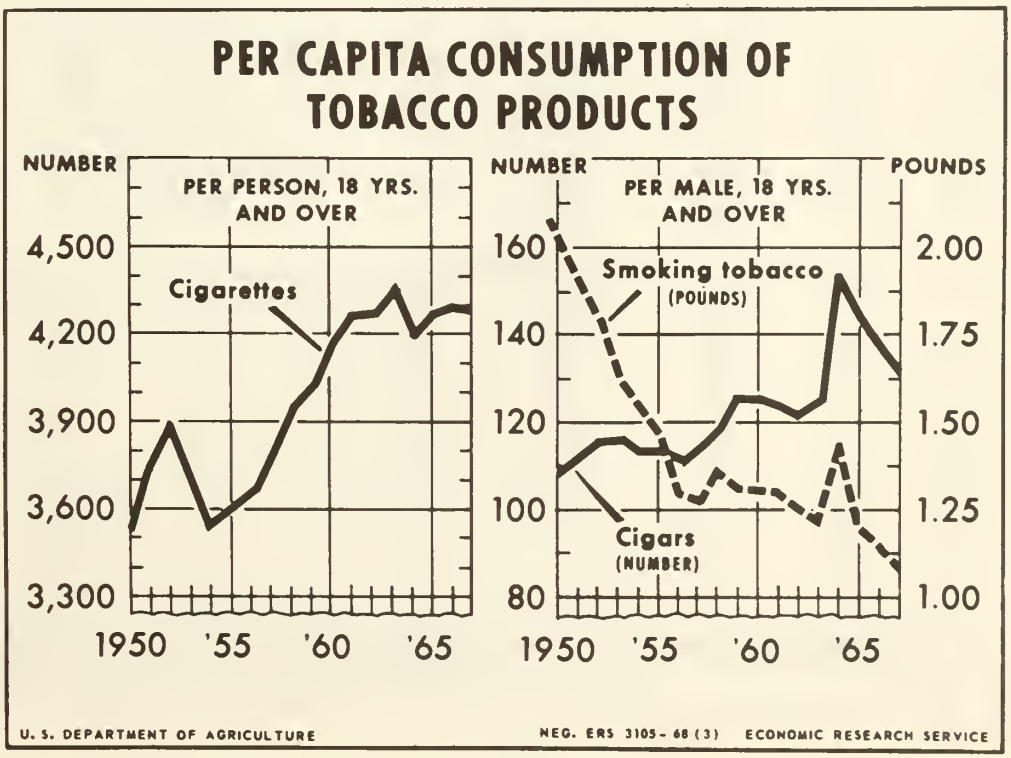

Table 1.--Cigarettes: Total output, domestic consumption, shipments and exports for specified periods

Period	Total output	Domestic consumption	Shipments to		Exports
			Overseas forces and other 1/	Puerto Rico and U. S. islands 2/	
	Billions	Billions	Billions	Billions	Billions
Average:					
1950-54	414.2	377.9	18.4	1.9	15.8
1955	412.3	382.1	13.2	2.0	15.1
1956	424.2	393.2	13.3	2.0	15.7
1957	442.3	409.4	13.7	2.1	17.0
1958	470.1	436.4	13.4	2.2	18.1
1959	489.9	453.7	13.7	2.5	19.6
1960	506.9	470.1	14.3	2.5	20.2
1961	528.3	488.1	14.6	2.8	22.2
1962	535.5	494.5	13.9	3.1	24.1
1963	550.6	509.6	14.3	3.2	23.6
1964	539.9	497.4	13.8	3.7	25.1
1965	556.8	511.5	17.2	3.9	23.1
1966	567.3	522.5	18.7	3.9	23.4
1967 3/	576.2	527.8	21.4	3.9	23.7

1/ Also includes ship stores and small tax-exempt categories. 2/ Includes Virgin Islands, Guam, American Samoa, Wake, and Canton and Enderbury Islands. 3/ Subject to revision.

Compiled from reports of the Internal Revenue Service and the Bureau of the Census.

Table 2.--Cigarettes: Estimated output of nonfilter tip and filter tip by length, and percentage distribution, 1956-67

Year	Total output	Nonfilter tip			Filter tip				
		Total	Regular 70 mm.	King 85 mm. 1/	Total	Regular 70 mm.	Long 80 mm.	King 85 mm.	Extra long 100 mm.
	Bil.	Bil.	Bil.	Bil.	Bil.	Bil.	Bil.	Bil.	Bil.
1956	424.2	307.3	203.9	103.4	116.9	7.1	17.9	91.9	---
1957	442.3	274.0	180.3	93.7	168.3	8.0	46.1	114.2	---
1958 2/	470.5	257.5	169.0	88.5	213.0	6.9	54.5	151.6	---
1959	489.9	251.1	159.0	92.1	238.8	5.5	48.2	185.1	---
1960	506.9	248.9	151.9	97.0	258.0	3.6	46.4	208.0	---
1961	528.3	251.2	148.5	102.7	277.1	3.1	47.4	226.6	---
1962	535.5	243.0	139.8	103.2	292.5	2.4	48.1	242.0	---
1963 2/	550.8	231.6	128.7	102.9	319.2	2.0	47.1	270.1	---
1964	539.9	211.2	111.7	99.5	328.7	1.8	42.4	284.5	---
1965	556.8	198.0	101.7	96.3	358.8	1.5	43.2	312.1	2.0
1966	567.3	180.0	91.1	88.9	387.3	1.2	43.3	331.8	11.0
1967	576.2	159.3	79.1	80.2	416.9	1.1	38.7	322.0	55.1
		Percentage distribution							
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
1956	100.0	72.4	48.1	24.3	27.6	1.7	4.2	21.7	---
1957	100.0	62.0	40.8	21.2	38.0	1.8	10.4	25.8	---
1958	100.0	54.7	35.9	18.8	45.3	1.5	11.6	32.2	---
1959	100.0	51.3	32.5	18.8	48.7	1.1	9.8	37.8	---
1960	100.0	49.1	30.0	19.1	50.9	.7	9.2	41.0	---
1961	100.0	47.5	28.1	19.4	52.5	.6	9.0	42.9	---
1962	100.0	45.4	26.1	19.3	54.6	.4	9.0	45.2	---
1963	100.0	42.0	23.3	18.7	58.0	.4	8.6	49.0	---
1964	100.0	39.1	20.7	18.4	60.9	.3	7.9	52.7	---
1965	100.0	35.6	18.3	17.3	64.4	.3	7.7	56.0	0.4
1966	100.0	31.8	16.1	15.7	68.2	.2	7.6	58.5	1.9
1967	100.0	27.6	13.7	13.9	72.4	.2	6.7	55.9	9.6

1/ Includes 80 mm. nonfilter tips which were fairly significant in 1956-60, but which have since comprised a very small proportion of the total. 2/ Data for 1958 and 1963 are from Census of Manufactures, and differ slightly from totals shown by Internal Revenue Service.

General note: Cigarettes having lengths other than specified in this table were included in the group with which they were most nearly comparable.

Table 3.--Cigarettes and all tobacco products: Consumption per capita, 18 years and over (including overseas forces), and indexes, 1925-67

Year	Cigarettes 1/		All tobacco products 1/	Cigarettes (number)	Cigarettes (pounds)	All tobacco products
	Number	Pounds	Pounds	(Indexes--1957-59=100)		
Average:						
1925-29	1,285	3.56	9.68	33	38	83
1930-34	1,389	3.82	8.80	35	41	76
1935-39	1,779	4.81	9.22	45	51	79
1940-44	2,558	6.97	10.88	65	74	94
1945-49	3,459	9.38	12.46	88	100	107
1950	3,522	9.54	12.29	90	102	106
1951	3,744	9.94	12.60	95	106	108
1952	3,886	10.44	13.11	99	112	113
1953	3,778	10.37	12.95	96	111	111
1954	3,546	9.59	12.12	90	102	104
1955	3,597	9.49	11.99	92	101	103
1956	3,650	9.35	11.65	93	100	100
1957	3,755	9.21	11.44	96	98	98
1958	3,953	9.46	11.73	101	101	101
1959	4,073	9.44	11.73	104	101	101
1960	4,171	9.64	11.82	106	103	102
1961	4,266	9.84	12.00	109	105	103
1962	4,265	9.69	11.80	109	103	102
1963	4,345	9.70	11.78	111	104	101
1964	4,194	9.21	11.53	107	98	99
1965	4,258	9.32	11.46	108	99	99
1966	4,287	9.15	11.19	109	98	96
1967 2/	4,280	9.12	11.07	109	97	95

1/ The weight represents the unstemmed processing-weight equivalent of the tobacco. 2/ Subject to revision.

Table 4.--Cigarette exports from the United States to leading destinations for specified periods

Country	Average 1960-64	1965	1966	1967 1/	1967 as a percentage of 1966
	Mil.	Mil.	Mil.	Mil.	Pct.
Hong Kong	1,917	2,648	2,366	2,450	104
Spain	987	1,824	1,944	1,704	88
Netherlands Antilles	1,036	1,292	1,286	1,472	114
Paraguay	260	967	1,270	1,385	109
Kuwait	1,073	1,123	1,183	1,028	87
Panama 2/	629	651	624	763	122
West Germany	562	523	653	720	110
France	1,418	1,035	969	720	74
Italy	716	644	622	715	115
Lebanon	1,358	630	499	640	128
Ecuador	448	712	626	561	90
Canary Islands	296	487	568	545	96
Netherlands	585	503	607	476	78
Other countries 3/	11,772	10,013	10,240	10,473	102
Total, all countries	23,057	23,052	23,457	23,652	101

1/ Subject to revision. 2/ Includes Canal Zone. 3/ Includes around 100 foreign destinations in recent years.

Compiled from publications and records of the Bureau of the Census.

Pennsylvania (an increase from 8 to 13 cents), Illinois (from 7 to 9 cents), and Ohio (from 5 to 7 cents). Cigarette taxes are in effect in 49 States and the District of Columbia; North Carolina is the only State that does not have a tax on cigarettes. As of January 1968, 33 States had tax rates of 8 cents or more per pack, compared with 3 in 1960. The average rate of State cigarette taxes (weighted by number of packs taxed) was about 7½ cents per pack in 1967. The Federal excise tax is 8 cents a pack. In addition, a considerable number of local governments tax cigarettes.

In 1967, U.S. output of cigarettes totaled about 576 billion--about 95 percent for U.S. smokers and the rest for commercial exports to over 100 countries and for shipment to Puerto Rico. About 72½ percent of the 1967 output was filter tip and about 27½ percent was nonfilter tip. (See table 2.)

U.S. exports of cigarettes in 1967, at nearly 23¾ billion, were a little above those in each of the 2 preceding years. (See table 4 for leading destinations.) The declared value of 1967 cigarette exports totaled $116.2 million, up 5 percent from 1966--reflecting the 1 percent increase in export volume and a 4 percent rise in unit value. Shipments of cigarettes to Puerto Rico and other U.S. islands in 1967, at 3,882 million, were only slightly below the previous year's record level.

Cigars, Cigarillos, Small Cigars

U.S. smokers (including those overseas) consumed about 8.1 billion cigars in 1967--2½ percent less than in 1966. In the past 3 years, cigar consumption receded steadily from the record 1964 level, but the rate of decline diminished each year. Despite the decline of the past 3 years, 1967 cigar consumption was over 800 million --11 percent--greater than in 1963, the high point in the 40 years prior to 1964. About 131 cigars and cigarillos were consumed per male 18 years and over. This was down about 4 percent from 1966, but was fourth highest in over 35 years. (See table 7.) During 1968, total cigar and cigarillo consumption is expected to be near the 1967 level.

Taxable removals of cigars and cigarillos in revenue class C (retail price over 4 to 6 cents apiece) accounted for around 40 percent of the total. Taxable removals in class E (over 8 to 15 cents apiece) accounted for 32 percent. The number in each class declined about 4½ percent below 1966. However, cigars in classes F and G--selling for over 15 cents apiece (6 percent of the total)--increased 7 percent.

U.S. cigar exports rose to a new high of 76 million in 1967--4 percent above 1966. The declared value of these exports was $2.2 million, about the same as the year before. A decline in the average value offset the increase in volume. (An indeterminate proportion of these cigar exports were small cigars, about cigarette size, weighing not more than 3 pounds per 1,000.) Canada was the leading export outlet, more than doubling its takings. (The average unit value of exports to Canada indicates that shipments may have consisted mainly of cigarette-size cigars.) Second ranking outlet was France, which cut its takings by more than half. Countries taking more than in 1966 included Japan, the United Kingdom, Bahrein, Republic of South Africa, Portugal, Bermuda, Kuwait, Switzerland, and Greece. Those taking less included Iceland, the Bahamas, Panama, and Hong Kong.

U.S. imports of cigars totaled about 30 million in 1967, valued at $2.7 million. Both volume and value were up approximately a sixth from 1966. Leading sources were the Philippine Republic, the Netherlands, Canary Islands, Brazil, Jamaica, and Mexico.

Taxable removals of small cigars totaled 431 million in 1967, not much different than in 1965 and 1966. Although less than half the unusual high of 1964, 1967 taxable removals were substantially above the years immediately preceding 1964.

Table 5.--Large cigars and cigarillos: Output and consumption for specified periods

Period	Factories in the United States 1/			From Puerto Rico: taxable	Imports for consumption		Exports	Total consumption 3/
	Total output	Removals			Total 2/	From Philippine Republic		
		Taxable	Tax-exempt					
	Million	Million	Million	Million	Million	Million	Million	Million
Average:								
1950-54	5,902	5,818	83	13	15	2	4	5,925
1955	6,004	5,915	82	84	20	5	6	6,095
1956	5,998	5,863	72	93	23	4	9	6,042
1957	6,145	5,995	79	124	26	5	9	6,215
1958	6,469	6,260	87	137	28	4	9	6,503
1959	6,857	6,717	103	148	31	5	4/10	6,989
1960	6,991	6,728	105	198	32	6	4/11	7,052
1961	6,642	6,558	118	354	24	8	4/16	7,038
1962	6,684	6,442	126	483	23	14	4/19	7,055
1963	6,716	6,621	144	526	24	15	33	7,282
1964	8,736	8,122	193	809	28	13	44	9,108
1965	7,899	7,577	180	911	25	9	55	8,638
1966	7,165	7,076	193	1,075	25	10	73	8,296
1967 5/	6,857	6,845	197	1,099	30	9	76	8,095

1/ Includes output and removals of bonded manufacturing warehouses--a category in which no facilitiea have been classified since February 1964. 2/ Prior to the embargo on imports from Cuba (effective February 1962), the major share of imported cigars came from Cuba. 3/ Total removals from U.S. factories plus those from Puerto Rico, and imports, minus exports. 4/ Estimated--excludes little cigars. 5/ Subject to revision.

Compiled from reports of the Internal Revenue Service and the Bureau of the Census.

Table 6.--Small cigars (weighing not more than 3 pounds per thousand and approximately cigarette size): Output and removals for specified periods

Period	Output	Factory removals		
		Total	Taxable	Tax-exempt
	Millions	Millions	Millions	Millions
Average:				
1950-54	64.9	65.0	64.2	0.8
1955	58.7	57.8	57.0	.8
1956	63.6	59.5	58.9	.6
1957	49.0	49.1	48.8	.3
1958	170.0	160.0	159.7	.3
1959	530.1	505.5	481.6	23.9
1960	148.7	158.7	141.9	16.8
1961	158.2	152.9	146.1	6.8
1962	164.0	162.9	155.8	7.1
1963	281.4	272.4	264.2	8.2
1964	973.9	973.8	939.7	34.1
1965	440.7	457.8	434.7	23.1
1966	445.3	452.6	435.7	16.9
1967 1/	434.2	440.8	430.7	10.1

1/ Subject to revision.

Compiled from reports of the Internal Revenue Service.

Table 7.--Consumption of cigars, smoking tobacco and chewing tobacco per male, and snuff per person, 18 years and over, and indexes for specified periods

Period	Consumption per male 18 years and over				Per person 18 years and over
	Large cigars and cigarillos 1/		Smoking tobacco 1/	Chewing tobacco 1/	Snuff 1/
	Number	Pounds	Pounds	Pounds	Pounds
Average:					
1925-29	177.4	4.10	4.15	5.03	0.52
1930-34	125.2	2.96	4.40	3.15	.46
1935-39	120.9	2.89	4.39	2.48	.42
1940-44	118.9	2.87	3.67	2.34	.43
1945-49	113.7	2.74	2.35	2.01	.41
1950	107.8	2.53	2.03	1.67	.38
1951	110.8	2.56	1.89	1.62	.37
1952	115.1	2.72	1.80	1.58	.36
1953	115.5	2.72	1.62	1.55	.36
1954	112.8	2.64	1.55	1.48	.35
1955	112.8	2.60	1.47	1.44	.35
1956	110.8	2.41	1.30	1.36	.34
1957	113.0	2.37	1.27	1.29	.32
1958	117.3	2.45	1.37	1.23	.31
1959	124.9	2.55	1.31	1.20	.29
1960	124.7	2.42	1.30	1.13	.30
1961	122.9	2.43	1.30	1.13	.29
1962	121.9	2.40	1.24	1.10	.28
1963	124.6	2.39	1.22	1.11	.27
1964	154.3	2.69	1.42	1.11	.26
1965	143.8	2.57	1.19	1.07	.24
1966	136.1	2.41	1.13	1.05	.23
1967 2/	130.7	2.28	1.08	1.04	.23
	1957-59=100				
Average:					
1925-29	150	167	316	406	168
1930-34	106	120	334	254	150
1935-39	102	117	333	200	138
1940-44	100	117	279	189	140
1945-49	96	112	179	162	132
1950	91	103	154	134	125
1951	94	104	144	131	121
1952	97	111	137	128	118
1953	98	111	123	125	117
1954	95	107	118	120	115
1955	95	106	112	116	115
1956	94	98	99	110	110
1957	95	97	97	104	105
1958	99	100	104	99	100
1959	105	104	99	97	95
1960	105	98	99	91	97
1961	104	99	99	91	93
1962	103	97	94	89	91
1963	105	97	93	89	86
1964	130	109	108	90	84
1965	122	105	90	86	78
1966	115	98	86	85	76
1967 2/	110	93	82	84	76

1/ Unstemmed weight equivalent for cigars and finished-product weight for all others.

2/ Subject to revision.

Table 8.--Smoking tobacco: Output, removals, foreign trade, and consumption, for specified periods

Period	Output	Removals 1/		Imports 2/	Exports, in packages	Total consumption 3/	Exports, smoking tobacco in bulk 4/
		Taxable 1/	Tax-exempt 1/				
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Average: 1950-54	95.2	92.0	3.2	0.1	0.6	94.7	3.0
1955	80.0	77.7	2.3	.1	.5	79.6	6.2
1956	71.5	69.9	1.7	.1	.6	71.1	5.7
1957	70.5	68.7	1.7	.2	.6	70.0	4.4
1958	76.0	74.0	2.0	.4	.7	75.7	7.5
1959	73.2	71.2	1.9	.7	.7	73.1	8.5
1960	73.8	71.3	2.3	.9	.9	73.6	7.7
1961	74.2	71.4	2.5	1.3	.8	74.4	9.0
1962	70.9	68.3	2.6	1.5	.9	71.5	8.6
1963	70.4	68.0	2.2	1.6	.9	70.9	9.8
1964	82.5	79.0	3.4	2.7	1.4	83.7	12.3
1965	71.8	67.3	3.0	2.1	1.0	71.4	13.6
1966	67.3	65.3	1.5	3.3	.9	69.2	14.9
1967 5/	64.8	62.7	2.0	3.7	1.4	67.0	15.9

1/ After December 1965, taxable removals data replaced by domestic sales, and tax-exempt removals data replaced by export sales. 2/ Prior to July 1962 and after December 1965, data are from Census import classification covering mainly smoking tobacco; from July 1962 through December 1965, data represent taxable removals of imported smoking tobacco reported by Internal Revenue Service. 3/ Total removals (or sales) plus imports minus exports in packages. 4/ Includes specially-prepared cigarette tobacco, cut or granulated tobacco, partially-processed blended tobacco and shredded tobacco. Virtually all of the smoking tobacco in this export class was not included in Internal Revenue Service output figures for smoking tobacco. 5/ Subject to revision.

Compiled from reports of the Internal Revenue Service, Bureau of the Census, and Consumer and Marketing Service, USDA.

Table 9.--Smoking tobacco: Production and manufacturers' sales, by category, 1966 and 1967

Smoking tobacco product	Manufactured		Invoiced					
			To domestic customers		For export 1/		Total	
	1966	1967	1966	1967	1966	1967	1966	1967
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Pipe	59.6	57.3	57.7	55.3	1.5	2.0	59.2	57.3
Granulated or sack	1.8	1.5	1.8	1.5	2/	2/	1.8	1.5
Cigarette cut	6.0	6.0	5.9	5.9	2/	2/	5.9	5.9
Total 3/	67.3	64.8	65.3	62.7	1.5	2.0	66.8	64.7

1/ Sales for overseas shipment (to foreign markets and to overseas forces). 2/ Negligible. 3/ Computed from unrounded numbers.

Smoking Tobacco

The 1967 U.S. production of smoking tobacco for pipes and roll-your-own cigarettes totaled about 64¾ million pounds--4 percent less than in 1966 and 10 percent less than 2 years earlier. Output in the first half of 1967 ran 9 percent below a year earlier, but in the last half it was nearly 2 percent higher. Manufacturers' domestic sales, which in the first half of 1967 were also 9 percent below the like 1966 period, were 1 percent above a year earlier in the last half of 1967. Higher cigarette prices in States that boosted taxes may have stimulated sales of smoking tobacco during this period.

For 1967 as a whole, estimated consumption of smoking tobacco amounted to 67 million pounds--3 percent below the previous year. Estimated consumption per adult male was about 4 percent less than in 1966 and 15 percent less than 10 years ago. (See tables 7 and 8.)

The 1966 and 1967 production and manufacturers' sales of smoking tobacco by category are shown in table 9. Granulated or sack tobacco and cigarette cut tobacco are primarily used for roll-your-own cigarettes. However, some portion of "pipe" tobacco is also used for this purpose, and a small portion of the other 2 categories--consumed mainly in roll-your-owns--is probably used in pipes.

Based on factory shipments of cigarette papers (and allowing for probable wastage), the number of roll-your-own cigarettes smoked in 1967 is estimated to have been about 11¾ billion--up about 1½ billion from 1966. An estimated 21 million pounds of smoking tobacco was used in roll-your-owns in 1967--about 31 percent of total U.S. consumption of smoking tobacco.

In 1967, imports of manufactured tobacco (most of it smoking tobacco) reached a new high of 3.7 million pounds--12 percent above a year earlier--valued at $4.6 million. Imported smoking tobacco made up 5½ percent of total U.S. consumption of smoking tobacco in 1967, compared with about 5 percent in 1966 and only 1 percent in 1960. Of total 1967 imports, the Netherlands furnished 75 percent, and the United Kingdom and Denmark about 7 percent each. The major part of the 1967 increase was due to larger imports from the Netherlands and Denmark; imports from the United Kingdom gained 2 percent. The average values (per pound, excluding the 17½-cent duty) of recent imports from various sources were:

Source	1964	1965	1966	1967
Netherlands	$1.11	$1.15	$1.17	$1.14
United Kingdom	2.47	2.74	2.86	2.82
Denmark	.96	1.02	1.22	1.33
Other	1.01	1.04	.92	.96
All countries	1.23	1.30	1.29	1.26

Exports of packaged smoking tobacco totaled 1,402,000 pounds in 1967, valued at $2,144,000. The quantity was up 51 percent from 1966 and was the second largest since 1947. The value of 1967 exports was up 53 percent from the previous year. There were big percentage increases in quantities exported to Japan, Panama, Iceland, Denmark, the Netherlands, Austria, and Italy, and a moderate increase in those to Australia. Exports to Canada--a major market for U.S. smoking tobacco--fell about a sixth, and those to West Germany dropped about a fourth.

Smoking Tobacco in Bulk for Export

The smoking tobacco in bulk export category includes specially prepared tobacco, cut or granulated tobacco, partially processed blended tobacco, and shredded tobacco (see table 8, last column). It also includes processed sheet tobacco and "blended strips" or stemmed tobacco consisting of more than one kind--principally blended flue-cured and burley.

Exports of smoking tobacco in bulk, which have been trending upwards, reached a record 15.9 million pounds in 1967, valued at $16.2 million. The quantity was up 7 percent and the value was about 8

percent above 1966. The top 5 markets and quantities taken were Peru, 3.1 million pounds; Dominican Republic, Italy, and Spain, about 1½ million pounds each; and the Netherlands, 1.2 million pounds; exports to Spain and the Netherlands were smaller than in 1966, while the others registered gains. Other sizable markets that increased their takings included Bolivia, Ecuador, and Switzerland; those reducing their takings included Finland and Haiti.

Chewing Tobacco

U.S. production of chewing tobacco totaled about 64½ million pounds in 1967, 1 percent below the preceding year. Production of scrap and plug chewing--the principal categories--declined 1 and 2½ percent, respectively. Output of twist was down some, but production of fine-cut continued to gain.

Total output of chewing tobacco has fluctuated within a relatively narrow range during the past 8 years. However, there have been changes in the individual categories. Compared with 1960, last year's production of plug was down about a tenth, output of twist fell a fourth, whereas production of scrap and fine-cut was 6 and 32 percent higher, respectively.

Most of the U.S. chewing tobacco output is consumed domestically. Manufacturers' domestic sales of chewing tobacco in 1967 were about equal to those in 1966, with gains in scrap and fine-cut about offsetting reductions in plug and twist. Manufacturers of scrap chewing apparently dipped into their inventories, since sales in 1967 exceeded output by a small margin. The 1967 U.S. consumption of chewing tobacco per adult male was slightly below that of 1966, but about a fifth less than 10 years ago. (See table 7.)

Table 10.--Chewing tobacco and snuff: Output by category for specified periods

Period	Chewing tobacco					Snuff
	Plug	Twist	Fine-cut	Scrap	Total	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Average:						
1950-54	38.9	4.9	2.8	38.2	84.8	39.2
1955	36.5	4.5	3.0	36.0	80.0	39.2
1956	33.0	4.3	2.9	35.5	75.7	37.7
1957	31.6	4.0	2.8	34.0	72.4	36.1
1958	29.6	3.8	2.9	33.0	69.3	34.8
1959	28.6	3.6	3.0	33.0	68.2	34.3
1960	26.4	3.4	3.1	32.0	64.9	34.6
1961	26.0	3.3	3.2	32.7	65.2	33.8
1962	26.0	2.9	3.3	32.5	64.7	33.2
1963	24.9	2.9	3.3	34.2	65.3	31.8
1964	25.9	2.8	3.5	34.0	66.2	31.4
1965	24.7	2.8	3.7	33.9	65.1	29.7
1966	24.3	2.7	3.9	34.3	65.2	29.5
1967 1/	23.7	2.6	4.1	34.0	64.4	29.3

1/ Subject to revision.

Compiled from reports of the Internal Revenue Service and Consumer and Marketing Service, USDA.

U.S. chewing tobacco exports--mainly twist and plug--totaled 318,000 pounds in 1967. This was 38 percent below 1966 exports, which had been the largest since 1962. Value of exports was $331,000--a drop of 41 percent from 1966. Australia--the leading U.S. outlet in 1966--slashed its 1967 takings by 73 percent. Exports to Panama rose appreciably, and some also was consigned to French Pacific Islands, Canada, Trust Territory of the Pacific Islands, Dominican Republic, and Netherlands Antilles.

Snuff

U.S. snuff production in 1967, at 29.3 million pounds, was slightly below the previous year's level. In contrast to a relatively stable level for many years, snuff output has trended downwards since 1956. However, the decline in both 1966 and 1967 was more gradual than in most previous years. Snuff production is expected to continue to edge downwards.

Virtually all U.S. snuff output is consumed in this country. Adult per capita consumption in 1967 was near the 1966 level, but 28 percent less than 10 years ago. (See table 7.)

EXPORTS OF UNMANUFACTURED TOBACCO FROM THE UNITED STATES 1/

Exports of unmanufactured tobacco in 1967 totaled 572 million pounds (equivalent to 642 million, farm-sales weight)--the largest since 1946 and 4 percent above 1966. The value of 1967 exports reached an all-time high of $499 million--also 4 percent above the previous year. Stimulating U.S. exports have been sanctions against Rhodesian tobacco, improved quality of recent flue-cured crops, and the export payment program. During 1956-65, annual exports averaged 491 million pounds and were valued at $374 million.

Flue-cured made up 75 percent of total 1967 unmanufactured tobacco exports; burley, 8 percent; and fire-cured, 5 percent.

Exports of flue-cured gained 1 percent. Larger quantities than the year before went to the United Kingdom, West Germany, the Netherlands, Thailand, Ireland, South Vietnam, and Switzerland. Reduced shipments went to Japan, Sweden, Australia, and Denmark, while those to Belgium were nearly the same as in 1966.

Burley exports in 1967 were about 1 percent above a year earlier, but 13 percent below the 1964 record. Exports to Thailand, Portugal, the Netherlands, Italy, Denmark, and Chile increased. Less burley than in 1966 went to West Germany, Sweden, Switzerland, and Australia. Exports to Mexico were negligible, in contrast to nearly 2½ million pounds in 1966.

Exports of Maryland tobacco jumped 42 percent. Swiss takings rose 45 percent and considerably more than the previous year also went to West Germany, Belgium, and Portugal. Takings by Spain and the Netherlands declined. Fire- and sun-cured exports gained 12 percent, and there also were gains in dark air-cured types and Black Fat. Exports of cigar wrapper, binder, and filler declined.

The United Kingdom--long the principal overseas market for U.S. leaf--boosted takings 6 percent, and accounted for nearly a fourth of total exports. West Germany--the second ranking U.S. market--increased takings a sixth to the highest on record. The Netherlands--ranking third--also took a record quantity, but Japan--ranking fourth--cut its takings sharply from the 1966 peak. Thailand--the fifth ranking U.S. market--further increased its takings in 1967. Other markets taking more U.S. tobacco than the year before included Switzerland, Ireland, South Vietnam, Italy, Malaysia, Hong Kong, and Finland. Less tobacco went to Sweden, Denmark, Norway, New Zealand, and Spain.

1/ Quantities of tobacco in this section are stated in terms of export weight, which is less than the equivalent farm-sales weight.

Table 11--United States exports of unmanufactured tobacco by types and to principal importing countries for specified periods

(Declared weight)

Country and type	Average 1959-63	1964	1965	1966 1/	1967 1/	1967 as a percentage of 1966
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Pct.
Flue-cured	392.8	395.6	351.1	422.6	427.4	101
Burley	37.3	53.0	45.3	45.7	46.1	101
Maryland	11.8	12.3	10.1	10.6	15.1	142
Fire- and sun-cured	23.5	25.4	27.6	23.4	26.3	112
Green River	.7	1.2	.6	.5	.9	180
One Sucker	.9	.6	.9	.6	1.0	167
Black Fat, etc.	4.3	3.7	3.9	3.5	4.1	117
Cigar wrapper	4.2	5.2	3.9	4.5	3.7	82
Cigar binder	2.0	1.6	2.5	1.9	1.8	95
Cigar filler	.4	.6	.7	1.9	.9	47
Perique	.2	.2	.4	.4	.2	50
Stems, trimmings, and scrap	9.3	15.1	21.1	35.6	44.8	126
Total	487.4	514.5	468.1	551.2	572.3	104
Country of destination						
United Kingdom	141.0	125.2	92.8	129.9	137.6	106
France	5.7	7.2	5.8	8.6	6.3	73
Belgium	17.9	17.5	18.8	17.5	17.5	100
Netherlands	30.6	33.1	37.2	28.8	40.5	141
West Germany	74.6	85.5	80.9	98.7	114.3	116
Portugal	7.0	8.0	3.7	3.8	5.5	145
Denmark	13.8	12.3	15.1	17.9	16.4	92
Ireland	14.6	11.2	10.6	13.5	14.3	106
Switzerland	12.2	15.0	12.6	16.9	21.4	127
Finland	7.6	5.5	6.1	4.7	5.9	126
Norway	7.6	7.2	6.0	9.3	8.4	90
Sweden	14.5	20.8	5.9	22.8	19.3	85
Italy	11.5	9.5	8.4	3.7	7.1	192
Spain	2.4	3.1	3.7	5.1	3.8	75
Thailand	9.4	11.1	11.8	17.7	23.2	131
S. Vietnam	4.9	10.1	7.3	12.4	12.9	104
Malaysia 2/	4.4	5.7	6.6	7.3	9.6	132
Hong Kong	5.8	8.1	7.5	4.7	5.9	126
Japan	21.4	34.9	36.6	42.1	27.0	64
Australia	18.5	14.2	19.7	16.5	13.3	81
New Zealand	5.1	3.9	3.0	5.3	3.8	72
Egypt	11.7	15.2	18.4	12.0	1.4	12
Other countries	45.2	50.2	49.6	52.0	56.9	109
Total	487.4	514.5	468.1	551.2	572.3	104

1/ Preliminary. 2/ Malaysia and Singapore.

Compiled from publications and records of the Bureau of the Census.

In 1967, about 17½ million pounds of tobacco--valued at $15 million--were exported for foreign currencies under Title I, P.L. 480. This was the smallest quantity since inception of the program--33 percent below the preceding year. A major objective of the present P.L. 480 is to speed up the transition from foreign currency sales to dollar sales, the change-over aided by availability of long-term credits. About three-fourths of 1967 Title I exports for foreign currencies, or 12.8 million pounds, went to South Vietnam. Other destinations and quantities (million pounds) were: Ghana, 1.3; India, 1.2; Israel, 0.2; and Pakistan, 2.0.

Title III, P.L. 480, authorizes barter of agricultural commodities for materials and services from abroad. In 1967, tobacco barter exports reached a new high at 91 million pounds, 6 percent more than the previous calendar year record set in 1966. About three-fourths of barter exports went to Western Europe, one-sixth went to the Far East and Pacific countries, and the remainder to other areas. The 12 leading countries and the quantity shipped to each were:

Country	Mil. lb.	Country	Mil. lb.
United Kingdom	24.2	Spain	4.6
West Germany	18.1	Singapore	3.1
Malaysia	6.8	Japan	2.9
Portugal	5.2	Netherlands	2.9
Ireland	5.0	Peru	2.6
Finland	4.7	Taiwan	2.2

Sales for long-term dollar credit under Title I (formerly under Title IV of P.L. 480) totaled 5.9 million pounds in 1967, substantially above the preceding year. Congo (Kinshasa) received the bulk of these exports; the remainder went to Ecuador, Iceland, and the Philippine Republic.

The Agricultural Trade Development and Assistance Act (Public Law 480) expires December 31, 1968. In his Farm Message to Congress, the President recommended a 3-year extension. Bills to extend this authority have been introduced in Congress.

Combined exports of tobacco under P.L. 480 programs totaled nearly 115 million pounds--one-fifth of all unmanufactured tobacco exports. About 2-1/2 million pounds were exported in 1967 under Agency for International Development (AID) programs. Tunisia accounted for one-half of these AID exports and the rest went to Chile, Trinidad, and the Dominican Republic. Including AID shipments, a total of over 117 million pounds were exported under specified Government programs, about equal to last year's record. Programs accounted for over 20 percent of all unmanufactured tobacco exports, compared with about 21 percent in 1966.

In the year ending June 30, 1968, U.S. exports of unmanufactured tobacco may total around 575 million pounds--about 8 percent below the 47-year high of 1966/67, but otherwise the largest since 1955/56.

Major Foreign Countries Exporting Tobacco

No official information is available on the size of Rhodesia's flue-cured crop for harvest in early 1968. The production goal had been set at 132 million pounds, nearly one-third less than in 1967. Growers have been guaranteed an average return equivalent to about 33 U.S. cents a pound. Auction sales of the crop harvested in early 1968 reportedly begin in April. A large unsold carryover--estimated at around 250 million pounds--has accumulated from previous years. The production goal for the crop to be harvested in early 1969 has been announced at 132 million pounds--unchanged from the previous year's target. The price support level has been lowered to the equivalent of 26 cents per pound--7 cents less than for the current crop.

In Zambia, which plans to expand its production, the 1968 flue-cured crop target is 15 million pounds--up from 11 million harvested last year. In 1964, a record 24 million pounds were produced. Targets of 25 or 30 million pounds have been suggested for 1970. The Government

Table 12.--Tobacco exports under Government-financed programs, 1955-67

Calendar year	Public Law 480				Mutual Security and A.I.D. programs	Total under Government-financed programs	Total unmanufactured tobacco exports	Exports under Government-financed programs as percentage of total exports
	Title I, foreign currency sales	Title III, barter sales	Title IV, long-term dollar credit sales	Total				
	Quantity (export weight)							
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Pct.
1955	43.8	---	---	43.8	2.3	46.1	540.3	8.5
1956	71.2	---	---	71.2	4.3	75.5	510.4	14.8
1957	35.8	---	---	35.8	---	35.8	501.0	7.1
1958	37.9	0.5	---	38.4	2.6	41.0	481.8	8.5
1959	56.5	19.5	---	76.0	5.5	81.5	465.6	17.3
1960	31.2	27.3	---	58.5	22.8	81.3	496.1	16.4
1961	26.0	61.3	---	87.3	20.5	107.8	501.0	21.5
1962	28.5	50.3	0.4	79.2	.4	79.6	468.9	17.0
1963	35.6	14.9	3.4	53.9	---	53.9	505.5	10.7
1964	37.9	19.5	3.5	60.9	4.3	65.2	514.5	12.7
1965	29.7	54.9	2.9	87.5	1.7	89.2	468.1	19.1
1966	25.8	86.0	1.0	112.8	4.3	117.1	551.2	21.2
1967 1/	17.4	91.4	5.9	114.7	2.5	117.2	572.3	20.4
	Value							
	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Pct.
1955	31.3	---	---	31.3	0.6	31.9	356.2	9.0
1956	48.5	---	---	48.5	2.3	50.8	333.5	15.2
1957	26.6	---	---	26.6	---	26.6	359.1	7.4
1958	28.3	0.4	---	28.7	1.5	30.2	354.4	8.5
1959	41.6	11.3	---	52.9	3.5	56.4	346.2	16.3
1960	22.0	21.0	---	43.0	17.8	60.8	379.3	16.0
1961	20.4	35.2	---	55.6	16.5	72.1	390.9	18.4
1962	22.2	31.1	0.6	53.9	.3	54.2	373.4	14.5
1963	25.1	9.1	2.9	37.1	---	37.1	403.1	9.2
1964	24.3	11.9	3.7	39.9	2.8	42.7	412.9	10.3
1965	19.4	38.8	2.5	60.7	1.4	62.1	382.7	16.2
1966	19.2	65.7	.8	85.7	3.8	89.5	481.5	18.6
1967 1/	15.2	79.9	4.5	99.6	2.0	101.6	498.9	20.4

1/ Preliminary. Total unmanufactured tobacco exports include CCC credit sales (credits for relatively short periods); these sales were (million pounds): 1963, 1.0; 1965; 0.3; 1966, 15.8; 1967, 10.8.

has an apprentice training program, barn subsidies, and income tax concessions for machinery and buildings. New legislation, enacted in December, establishes a tobacco board and authorizes extensive regulation of production, marketing, and foreign trade.

Canada's 1967 flue-cured crop was an estimated 222 million pounds, 1 percent below the previous year's record. Auction sales in Ontario (underway since November 9) totaled 184 million pounds through March 15, averaging 70 Canadian (about 65 U.S.) cents per pound. Sales in the previous season totaled 215 million pounds, averaging a record 71.4 Canadian (about 66 U.S.) cents. No minimum grade prices nor Government price support apply to the 1967 crop.

In January-September 1967, Canada exported 37 million pounds of flue-cured tobacco--about one-sixth more than a year earlier. About 87 percent was consigned to the United Kingdom. The export gain reflects the larger 1966 crop and sanctions against Rhodesian tobacco.

India's 1967 flue-cured crop, placed at 200 million pounds, was 12 percent above a year earlier. Flue-cured exports in January-October 1967 were 91 million pounds--substantially above a year earlier. The gain resulted from larger exportable supplies. The United Kingdom, which accounted for one-half of the total, increased its takings. Indian exports to the Soviet Union, other Eastern Europe countries, and Japan were up from year-earlier levels. A significant quantity was exported to Egypt, in contrast with a negligible quantity last year.

Oriental tobacco production in Turkey has been estimated at 364 million pounds in 1967--about the same as 1966. Exports in January-November 1967 were 161 million pounds--13 percent above a year earlier. The United States accounted for nearly two-thirds of the total, boosting takings 21 percent. Soviet bloc countries and Japan also took larger consignments. Shipments to the European Economic Community (EEC), particularly West Germany, dropped sharply from the high 1966 level.

The 1967 production of oriental tobacco in Greece was an estimated 227 million pounds, 12 percent above the reduced 1966 crop, but one-fifth below the 1965 record. Unmanufactured tobacco exports in 1967 (from prior crops) totaled 178 million pounds, 0.4 million below the 1966 record. Of the total, 28 percent was consigned to the United States. Shipments to the United States rose 22 million pounds, or 44 percent. Exports to the Soviet bloc declined. Shipments to the European Economic Community dropped one-fourth, with West Germany accounting for all the decline.

British Tobacco Situation

Imports of unmanufactured tobacco into the United Kingdom in 1967 totaled 280 million pounds--7 percent more than the relatively low level of 1966. Cessation of tobacco imports from Rhodesia was partly made up by more tobacco from India and Canada, the other chief Commonwealth sources. Receipts from the United States in 1967 were maintained at 133 million pounds. The proportion of total imports provided by the United States declined to 47 percent from nearly 51 percent in 1966, because imports from other countries gained.

As usual, flue-cured tobacco made up over nine-tenths of total 1967 British tobacco imports. Here are some details on flue-cured imports:

Source	Quantity Mil. lb.	Percentage stemmed of total percent
United States	131	93
India	52	100
Canada	45	89
Zambia and Malawi	9	89
South Africa	10	24
Other countries	17	56
All countries	264	89

On March 20, the United Kingdom increased customs duties on imported tobacco 5 percent, or the equivalent of 52 cents per pound. The increased duty on unmanufactured tobacco (containing 10 percent or more moisture) results in a full rate (applicable to non-Commonwealth countries) equivalent to $11.00½ a pound and a Commonwealth preference rate equivalent to $10.82. (Conversion to U. S. currency equivalents made at the rate of 1 pound sterling equals $2.40.)

The latest increase in duty rates follows a 13 percent rise in April 1965, and is the eighth increase since the end of World War II. Duties account for approximately 80 percent of the retail price of popular brands of cigarettes.

The increase in duty rates means a price rise for most cigarettes equivalent to 2 cents per pack of 20. Cigarettes costing about 60 cents a pack would cost 62 cents. The duty changes are expected to provide additional impetus to sales of filter-tipped cigarettes, which in Britain are cheaper than untipped cigarettes. This would further limit the use of tobacco in cigarette manufacture.

The 1967 gross clearances of tobacco from bond in the United Kingdom--an approximate measure of home use and exports combined--increased 1 percent over 1966. Both categories gained slightly. The 1967 gross clearances of flue-cured were:

Source	Quantity Mil. lb.	Change from 1966 Mil. lb.
United States	135.0	+12.2
Rhodesia	48.2	-30.8
Canada	47.9	+ 8.3
India	40.1	+ 1.8
Other countries	16.7	+11.1
Total	287.9	+ 2.6

Net clearances of tobacco from bond (the measure of home consumption), totaled 240 million pounds. They were up 1 percent from 1966, but still 8 percent below the 1960 peak. Contributing to the lower level in these clearances in recent years have been the sharply higher proportion in stemmed form (providing more usable leaf from the same weight of tobacco) and the growth in filter tip cigarettes (which generally use less tobacco per unit than nonfilter tips). The number of cigarettes sold in 1967--a record 119 billion--was 1 percent above 1966. The tobacco weight of 1967 cigarette sales, however, was 1 percent below 1966. Filter tip cigarettes comprised nearly 66 percent of total 1967 sales, compared with 61 percent in 1966 and 53 percent in 1965. Cigarettes account for 87 percent of total tobacco consumption in the United Kingdom. Sales of smoking tobacco, accounting for most of the rest, were the same as in 1966.

U. K. exports of cigarettes in 1967 were the highest in 9 years, rising nearly 6 percent above 1966. Among markets increasing their takings were Kuwait, Persian Gulf States, Singapore, Hong Kong, and French Somaliland. Those taking less included Aden, France, West Germany, and Sudan.

Stocks of unmanufactured tobacco in the United Kingdom on December 31, 1967, at 435 million pounds, were 6 percent below a year earlier. Year-end holdings represented about 17 months' use (as measured by gross clearances), compared with 18½ in 1966 and the 1961-65 average of 21.

Included in the 1967 year-end stocks were 219 million pounds of U. S. flue-cured tobacco--virtually unchanged from a year earlier. Considered in relation to 1967 usings of U. S. flue-cured, these stocks represented about 19½ months' use, compared with 21½ in 1966 and the 1961-65 average of about 22. Stocks of Rhodesian flue-cured on December 31, 1967, were down to 37 million pounds, compared with 86 million a year earlier and 152½ million 2 years earlier. December 31, 1967, stocks of Canadian flue-cured, at 49 million pounds, were only slightly below the year-earlier level; but those of Indian, at 55 million, rose 10 million pounds. Holdings of dark fire-cured from Malawi and air- and sun-cured from India and

Table 13.--United Kingdom tobacco: Imports, stocks, clearances, and exports for specified periods

Period	Imports 1/			Stocks Dec. 31 3/	Gross clearances from bond 4/					Exports of manufactured tobacco	Re-exports of unmanufactured tobacco
	Total	From U. S. 2/	From Commonwealth countries 2/		Total	By duty preference		By form			
						Nonpreferential 2/	Preferential 2/	Stemmed	Unstemmed		
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Average: 1950-54	303	151	137	459	282	174	108	47	235	45	7
1955	344	179	149	507	298	173	125	50	248	44	4
1956	318	160	146	523	300	173	127	59	241	45	3
1957	319	168	141	529	304	169	135	69	235	41	3
1958	316	164	145	529	310	172	138	74	236	41	2
1959	300	140	155	509	315	171	144	78	237	34	2
1960	365	178	180	538	319	167	152	88	231	31	5
1961	345	157	182	563	317	161	156	100	217	31	3
1962	280	106	168	540	307	153	154	107	200	28	4
1963	325	145	174	535	313	154	159	125	188	29	3
1964	313	123	181	541	308	146	162	157	151	26	4
1965	284	91	182	520	298	130	168	191	107	32	4
1966	262	133	110	464	301	132	169	218	83	35	4
1967 5/	280	133	125	435	*305	*148	*157	*237	*68	38	3
	Percentage change										
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Average: 1957-59 to 1967	-10.3	-15.3	-15.0	-16.7	-1.6	-13.5	12.9	220.3	-71.2	-2.6	50.0
1966 to 1967	6.9	0	13.6	-6.2	1.3	12.1	-7.1	8.7	-18.1	8.6	-25.0

1/ Unmanufactured tobacco. 2/ The full duty rate on tobacco from the United States and other non-preferential areas is about 2 percent above the preferential rate on tobacco from Commonwealth areas. 3/ Beginning with 1957, stocks not strictly comparable with prior years. 4/ Largely withdrawals for manufactures for home use and export. 5/ Subject to revision. * December 1967 estimated.

Compiled from official United Kingdom sources.

Table 14.--Unmanufactured tobacco imports into the United Kingdom from major sources, average 1950-54, annual 1955-67

Period	United States	Rhodesia, Zambia, and Malawi	India	Canada	Turkey	Greece	Other	Total
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Average: 1950-54	151.3	72.0	38.8	23.8	4.0	1.1	11.5	302.5
1955	178.6	72.1	36.4	40.0	3.1	1.5	12.0	343.7
1956	160.3	84.4	40.0	21.7	2.6	1.4	8.0	318.4
1957	168.1	79.9	35.6	25.6	2.5	1.1	5.9	318.9
1958	163.9	74.6	44.7	23.4	1.0	.5	7.9	316.0
1959	140.1	86.8	37.4	29.7	.2	.4	5.7	300.3
1960	178.5	105.5	42.7	30.2	.4	.1	7.2	364.6
1961	157.1	102.0	43.6	34.8	.3	.4	7.1	345.3
1962	105.8	91.9	39.9	35.5	.1	.5	6.7	280.4
1963	145.1	101.3	39.5	32.3	.3	.1	6.0	324.6
1964	122.9	104.8	35.3	40.1	.9	.5	8.2	312.6
1965	90.9	1/107.6	36.2	36.6	.1	.4	12.6	284.4
1966	132.7	1/ 32.6	31.3	40.2	1.3	.8	23.2	262.1
1967 2/	132.9	1/ 13.1	54.6	46.0	.5	.1	33.2	280.4
	Percentage change							
Average: 1957-59 to 1967	-15.6	-83.7	39.3	75.6	-58.3	-85 7	410.8	-10.0
1966 to 1967	.2	-59.8	74.4	14.4	-61.5	-87.5	43.1	7.0
	Percentage distribution							
Average: 1950-54	48.6	24.4	13.1	8.3	1.3	.4	3.9	100.0
1955	52.0	21.0	10.6	11.6	.9	.4	3.5	100.0
1956	50.4	26.5	12.6	6.8	.8	.4	2.5	100.0
1957	52.8	25.0	11.2	8.1	.8	.3	1.8	100.0
1958	52.0	23.6	14.1	7.4	.3	.2	2.4	100.0
1959	46.7	28.9	12.4	9.9	.1	.1	1.9	100.0
1960	49.0	28.9	11.7	8.3	.1	---	2.0	100.0
1961	45.5	29.5	12.6	10.1	.1	.1	2.1	100.0
1962	37.7	32.8	14.2	12.7	---	.2	2.4	100.0
1963	44.7	31.2	12.2	9.9	.1	---	1.8	100.0
1964	39.3	33.5	11.3	12.8	.3	.2	2.6	100.0
1965	32.0	37.8	12.7	12.9	---	.1	4.5	100.0
1966	50.7	12.4	11.9	15.3	.5	.3	8.9	100.0
1967	47.4	4.7	19.5	16.4	.2	---	11.8	100.0

1/ Imports from Rhodesia amounted to 81.7 million pounds in 1965; 15.2 million in 1966; zero in 1967. 2/ Preliminary. Basic data compiled from official United Kingdom sources.

Malawi were also below year-earlier levels.

UNITED STATES IMPORTS AND STOCKS OF FOREIGN-GROWN TOBACCO 2/

In 1967, imports for consumption of foreign-grown tobacco reached a record high of 197 million pounds--10 percent above the previous year. The value was about $129 million (excluding import duties)--up about 2 percent. The smaller relative increase in value compared with that in quantity was mainly due to a lower average value of cigarette leaf imports.

The 1967 imports of cigarette leaf for consumption (direct entries plus withdrawals from bond) increased a tenth, exceeding any previous year. Of the major suppliers, percentage gains were greatest for Turkey and Yugoslavia; imports from Greece were up a little.

General imports (total arrivals) of cigarette tobacco (direct entries plus that placed in bond) rose 16 percent above 1966 to the highest on record. (See table 16.) On January 1, 1968, U. S. stocks of foreign-grown cigarette and smoking tobacco were largest for that date on record. Their farm-sales weight equivalent was 403 million pounds--23 percent above a year earlier.

Average values per pound of U. S. imports of cigarette leaf during 1957-67 (imports for consumption and general imports) are shown in table 17.

The 1967 imports of scrap (small pieces of leaves used principally for cigars) for consumption increased 7 percent. Compared with the year before, there were increased imports from the Dominican Republic, Paraguay, Indonesia, and Argentina, but small to moderate reductions in imports from the Philippine Republic, Colombia, and Brazil.

Total arrivals (general imports) of cigar tobacco in 1967 were about a fifth above the previous year but still substantially below the relatively high levels of 1964 and 1965. (See table 16.)

January 1, 1968, stocks of foreign-grown cigar tobacco, by country of origin, are shown on page 42 .

OUTLOOK AND SITUATION FOR TOBACCO LEAF

Flue-cured, Types 11-14

Prices and Price Support

The 1968 crop will be supported at 61.6 cents per pound--1.7 cents higher than for 1967. The increase in the overall support level for 1968 is based on a comparison of the parity index in 1965-67 with its 1959 level. This index--a measure of prices paid by farmers--averaged 11 percent higher in 1965-67 than in 1959. Accordingly, as specified by law, the support level for the 1968 tobacco crop was increased 11 percent from the 1959 level. The 1968 support level is about 3 percent above the 1967 level. The yearly increase was 2 percent in both 1966 and 1967, and 1 percent in 1962-65.

The 1967 season average price received by growers of flue-cured tobacco was 64.4 cents a pound--2.5 cents below the 1966 record. The 1967 crop was larger and quality was generally not as good as in 1966. However, quality improved in the Old Belt (type 11-a), where auction prices averaged only $\frac{1}{2}$ cent below last year. In the Middle Belt (type 11-b) and Old Belt (type 11-a)--the last to commence marketing--prices averaged below the average for all belts.

About 72 percent of total gross sales were sold in untied form in 1967, compared with 44 percent in 1966 and 24 percent in 1965. In 1967, the percentages of each type's gross sales consisting of untied tobacco were: type 11-a, 65 percent; type 11-b, 69 percent; type 12, 62 percent; type 13, 72 percent; and type 14, 100 percent. In type 14 markets, the first to open, all tobacco has always

2/ Imports of tobacco are on a declared-weight basis and stocks are on a farm-sales weight basis.

Table 15.--United States imports for consumption of unmanufactured tobacco, from principal supplying countries, for specified periods

(Declared weight)

Classification and country of origin	Average 1959-63	1964	1965	1966 1/	1967 1/	1967 as a percentage of 1966
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Pct.
Cigarette leaf						
Unstemmed:						
Turkey	77.9	72.3	83.6	84.3	92.5	110
Greece	31.8	30.9	36.0	36.6	37.4	102
Yugoslavia	6.7	10.2	12.9	11.4	13.1	115
Italy	1.7	1.6	1.4	.5	.4	80
Cyprus	.8	.8	.8	.7	.7	100
Syria	.7	.4	.2	.3	.4	133
Total 2/	122.3	118.4	137.9	137.1	150.5	110
Flue-cured and burley	3/.3	.4	.3	1.0	2.2	220
Cigar leaf (filler)						
Cuba:						
Stemmed	5.0	.5	.2	.2	.1	50
Unstemmed	3.4	1.5	.6	.2	.3	150
Philippine Republic:						
Stemmed	.3	.4	4/	4/	.1	---
Unstemmed	.1	4/	4/	.1	.2	200
Colombia	.2	.3	.1	.6	.5	83
Brazil	.3	.8	.6	.6	.5	83
Paraguay	.1	.1	.4	.2	4/	---
Dominican Republic	.3	.7	.8	.7	1.2	171
Mexico	.1	.8	1.0	1.3	.8	62
Total 2/	10.2	5.9	4.3	5.0	5.4	108
Scrap:						
Cuba	10.4	2.3	1.6	1.4	.7	50
Philippine Republic	10.1	14.1	14.1	17.1	16.7	98
Peru	.5	4/	.3	.2	.3	150
Colombia	2.0	8.0	5.5	3.9	3.2	82
Dominican Republic	2.0	9.3	7.6	3.3	4.2	127
Netherlands	.1	.1	4/	.2	4/	---
Indonesia	.4	2.1	1.3	.9	1.1	122
Brazil	.5	3.8	3.6	3.5	3.1	89
Argentina	.2	.5	.4	.3	.8	267
Paraguay	.1	.6	.9	1.4	1.8	129
Total 2/	27.9	42.9	38.9	35.6	38.2	107
Cigar wrapper (unstemmed):						
Cuba	.5	.1	4/	4/	4/	---
Cameroon Republic	4/	4/	.1	.1	.1	100
Honduras	4/	4/	.1	.1	.1	100
Total 2/	.5	.2	.2	.3	.4	133
Total imports 5/	161.7	168.7	182.6	179.3	197.1	110

1/ Preliminary. 2/ Includes relatively small quantities from other countries not separately listed. 3/ 1960-63 average. 4/ Less than 50,000 pounds. 5/ Includes stems not cut, ground, or pulverized.

Compiled from publications and records of the Bureau of the Census.

Table 16.--United States general imports of tobacco from principal supplying countries, for specified periods

(Declared weight)

Classification and country of origin	Average 1959-63	1964	1965	1966	1967	1967 as a percentage of 1966
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Pct.
Cigarette leaf (unstemmed):						
Turkey	92.1	68.1	79.8	124.6	132.5	106
Greece	33.0	46.4	35.7	34.1	51.4	152
Other countries	15.3	18.7	14.0	24.9	27.8	112
Total	140.4	133.2	129.5	183.7	212.2	116
Scrap:						
Turkey	1.1	.1	7.1	4.6	10.2	222
Greece	1/.2	0	2/	0	1.2	---
Flue-cured and burley	3/.3	.5	1.0	1.8	1.9	106
Cigar wrapper (unstemmed):						
Cuba 4/	.4	0	0	0	0	---
Cameroon Republic	2/	.1	.1	.1	.1	100
Honduras	2/	.1	.1	.1	.2	200
Total 5/	.5	.2	.4	.3	.6	200
Cigar filler (stemmed):						
Cuba 4/	5.0	0	0	0	0	---
Philippine Republic	.6	1.2	2.2	2/	.1	---
Brazil	.4	.2	.2	.5	.3	60
Mexico	.1	.5	.5	.7	.6	86
Dominican Republic	2/	.5	.9	.1	.5	500
Honduras	2/	.2	.2	.3	.5	167
Total 5/	6.2	3.1	4.2	1.9	2.2	116
Cigar filler (unstemmed):						
Cuba 4/	13.3	0	0	0	0	---
Philippine Republic	.7	1.2	.8	1.0	.8	80
Dominican Republic	4.4	22.1	2.5	.6	5.1	850
Colombia	4.7	17.3	7.0	4.2	5.0	119
Brazil	1.1	10.2	9.3	1.3	2.2	169
Paraguay	.8	1.2	1.8	.5	2.0	400
Indonesia	1.0	6.2	2.5	.1	.9	900
Netherlands	.3	.2	0	2/	.1	---
Peru	1.3	0	2.1	0	0	---
Argentina	.1	1.6	.2	.1	.1	100
Mexico	.3	2.1	2.3	3.0	2.3	77
Jamaica	.1	0	2/	2/	2/	---
Total 5/	28.1	62.5	29.6	12.1	20.4	169
Scrap:						
Cuba 4/	5.2	0	0	0	0	---
Philippine Republic	9.8	15.0	23.9	15.5	10.7	69
Dominican Republic	.2	1.1	1.0	.2	.6	300
Colombia	2/	0	0	2/	.1	---
Brazil	.1	.8	.1	.3	2/	---
Paraguay	.1	.1	.1	.4	.1	25
Indonesia	2/	.3	2/	2/	.7	---
Netherlands	.1	0	2/	2/	0	---
Argentina	.2	.3	.1	.1	.1	100
Honduras	2/	.1	.1	.1	.1	100
Other countries	.7	.6	.6	.5	2.5	500
Total	16.4	18.4	25.9	17.0	14.9	88
Total cigar tobacco	51.2	84.1	60.1	31.4	38.1	121
Grand total 6/	193.7	218.2	198.0	221.7	263.9	119

1/ 1959-61 average. 2/ Less than 50,000 pounds. 3/ 1960-63 average. 4/ For 1959-61 (pre-embargo) years, average imports were wrapper, 0.7 million pounds; stemmed filler, 7.9 million; unstemmed filler, 20.9 million; and scrap, 8.1 million. 5/ Includes quantities from other countries not separately listed. 6/ Includes stems not cut, ground, or pulverized. Detail may not add to total, due to rounding.

Note: General imports include all arrivals in the United States as distinguished from "imports for consumption".

Table 17--U.S. imports of cigarette leaf, for consumption and general, and average values per pound, 1957-67 1/

Year	Quantity				Average value per pound 2/			
	Turkey	Greece	Other	Total	Turkey	Greece	Other	All countries
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.	Ct.	Ct.	Ct.
	Imports for consumption							
1957	60.0	23.3	7.9	91.2	70.2	86.9	62.8	73.8
1958	65.1	28.5	11.0	104.6	71.1	82.2	62.3	73.2
1959	69.6	31.6	10.7	111.9	69.9	81.1	63.2	72.4
1960	74.3	32.3	12.1	118.7	67.6	81.2	66.5	71.2
1961	78.7	34.4	12.4	125.5	62.6	80.0	61.5	67.2
1962	82.4	32.1	12.3	126.8	55.2	75.3	59.3	60.7
1963	84.5	28.8	15.1	128.4	54.4	77.8	59.0	60.2
1964	72.3	30.9	15.2	118.4	60.9	92.2	66.1	69.7
1965	83.6	36.0	18.3	137.9	67.2	97.7	75.0	76.2
1966	84.3	36.6	16.2	137.1	71.3	92.4	74.1	77.3
1967	92.5	37.4	20.6	150.5	64.9	85.7	69.0	70.6
	General imports							
1957	96.3	32.8	9.5	138.6	69.0	80.9	66.6	71.6
1958	51.4	34.8	11.1	97.3	69.7	78.2	67.1	72.5
1959	94.9	31.1	13.2	139.2	64.9	75.5	60.4	66.8
1960	69.8	29.2	13.7	112.7	57.6	74.8	61.7	62.5
1961	111.7	46.2	17.1	175.0	51.4	70.3	58.3	57.1
1962	116.8	17.0	21.3	155.1	53.4	80.3	62.5	57.6
1963	67.4	41.7	11.0	120.1	70.1	98.7	70.1	80.0
1964	68.1	46.4	18.7	133.2	76.2	93.0	77.1	82.2
1965	79.8	35.7	14.0	129.5	69.0	83.4	74.2	73.6
1966	124.6	34.1	25.0	183.7	61.1	87.3	69.0	67.1
1967	132.5	51.9	27.8	212.2	63.0	83.3	62.1	67.8

1/ Imports for consumption consist of direct entries plus quantities withdrawn from bonded storage. Imports for consumption are usually taken as a measure of manufacturers' use. General imports consist of direct entries plus quantities placed in bonded storage. 2/ Average values per pound of imports for consumption exclude the import duty, which amounted to 12-3/4 cents per pound during most of the period shown. For changes in the import duty under the "Kennedy Round" trade negotiations, see the September 1967 Tobacco Situation, page 29.

Table 18.--Marketing quota referendums, by kinds of tobacco

Kind (type numbers in parentheses) and basis of quotas 1/	Last referendum				Next referendum	
	Date	Crops to which applicable	Number voting	Percentage voting in favor of quota 2/	Probable date 3/	Crops to which applicable
Flue-cured (11-14)						
Acreage-poundage	July 18, 1967	1968-70	162,314	96.5	Dec. 1970	1971-73
Burley (31)						
Acreage allotments	Feb. 26 - Mar. 1, 1968	1968-70	299,696	97.0	Feb. 1971	1971-73
Acreage-poundage	Feb. 27 - Mar. 3, 1967	1967-69	341,539	58.8		
Maryland (32)	Feb. 19-23, 1968	1968-70	5,882	56.2	Feb. 1971 4/	1971-73
Fire-cured (21-23)	Feb. 13-17, 1967	1967-69	13,783	93.5	Feb. 1970	1970-72
Dark air-cured (35-36)	Feb. 13-17, 1967	1967-69	13,695	93.0	Feb. 1970	1970-72
Va. sun-cured (37)	Feb. 26 - Mar. 1. 1968	1968-70	786	93.4	Feb. 1971	1971-73
Pa. filler (41)	Feb. 19-23, 1968	1968-70	2,034	19.1	Feb. 1971 4/	1971-73
Cigar binder (51-52)	Feb. 10, 1966	1966-68	354	96.6	Feb. 1969	1969-71
Cigar filler and binder (42-44, 53-55)	Feb. 10, 1966	1966-68	3,659	91.3	Feb. 1969	1969-71

1/ Quotas based on acreage allotments unless otherwise specified. 2/ A majority of two-thirds or more of farmers voting is required for marketing quotas to become effective under the acreage allotment program or acreage-poundage program. 3/ Probable month, but referendums can occur earlier if warranted by pertinent considerations. 4/ Unless at least a fourth of the growers petition the Secretary in the interim.

been marketed untied with price support for the whole marketing period. In types 13, 12, 11-b, and 11-a markets, untied tobacco in 1967 received price support for the first 95 hours of their respective marketing periods--each type's markets starting on successively later dates. Season prices paid for untied tobacco averaged 1.2 cents per pound higher than for tied tobacco. Price support rates were 3 cents per pound lower for untied tobacco than for matching grades of tied tobacco. The tied-untied price difference ranged from about 1 cent higher in the type 11-a, 11-b, and 12 Belts to 5 cents lower in the type 13 Belt.

With less time required for preparing tobacco for marketing in untied form, farmers sought to market their crop earlier than usual and the redrying capacity was exceeded during much of the season. This necessitated long waits by farmers at markets, reduced selling time, and sales holidays.

Growers placed 282 million pounds--about 22 percent of the crop--under Government loan during the 1967 marketing season. This is substantially above placements in 1965 and 1966, and fourth largest from any crop. In the 12 months ended February 28, 1968, 159 million pounds were sold from Government loan stocks, compared with 240 million a year earlier. Unsold loan stocks on hand March 1, 1968, totaled 791 million pounds--up 18 percent from a year earlier.

Supplies

The 1968 national quota announced July 18, 1967, is essentially the same as in 1967, but poundage allocations (reflecting last year's net overmarketings) will result in a smaller crop in 1968 than in 1967. Overmarketings in 1967 exceeded undermarketings by about 35 to 40 million pounds.

According to the March 1 intentions 555,020 acres will be grown this year--11 percent less than in 1967 and lowest on record. In 1967, marketing quotas and matching acreage allotments for many flue-cured farms had been increased because of undermarketings in the previous year. An average yield per acre--which takes into account a modified trend due to the restraints of farm poundage quotas--on the intended acreage indicates a 1968 production of about 1,082 million pounds. A crop this size would be about 15 percent below 1967 (when many growers made up their previous undermarketings) and 2 percent below 1966.

Carryover of flue-cured tobacco in the hands of manufacturers and dealers (including the grower cooperative) in mid-1968 is expected to be around 2,290 million pounds--slightly more than a year earlier. An additional estimated 17 million pounds from the 1967 crop is being held by farmers for sale in the 1968 season. If 1968 production should equal 1,082 million pounds, the 1968/69 total supply (including farm carryover) would approximate 3,390 million pounds--about 150 million below 1967/68.

Domestic Use and Exports

During the first half (July-December 1967) of the 1967/68 marketing year, domestic disappearance of flue-cured was a little larger than in the like period of 1966/67. For the 1967/68 marketing year as a whole, domestic use of flue-cured tobacco may show some increase over the unusually low figure calculated for 1966/67. U. S. output of cigarettes (the principal outlet for flue-cured) during the year ending June 30, 1968, may be a little larger than a year earlier. In July-December 1967, it was 1 percent higher than in the comparable period of 1966.

Flue-cured use in recent years has not gained commensurately with increased cigarette output. This has been largely due to: (1) economies achieved by use of reconstituted sheet tobacco and stems (midribs), and other manufacturing efficiencies; (2) the trend towards filter tip brands, most of which (until the advent of 100 millimeter lengths) had a shorter tobacco column than most nonfilter tip

Table 19.--Flue-cured tobacco, types 11-14: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks, July 1	Supply	Disappearance 1/		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1955	1,483	2,056	3,539	1,281	728	553
1956	1,423	2,258	3,681	1,170	705	465
1957	975	2,511	3,486	1,178	737	441
1958	1,081	2,308	3,389	1,179	736	443
1959	1,081	2,210	3,291	1,185	766	419
1960	1,251	2,106	3,357	1,267	792	475
1961	1,258	2,090	3,348	1,267	782	485
1962	1,408	2,081	3,489	1,208	777	431
1963	1,371	2,282	3,653	1,267	769	498
1964	1,388	2,386	3,774	1,219	775	444
1965	1,059	2,555	3,614	1,175	752	423
1966	1,108	2,439	3,547	1,274	2/687	587
1967 2/	1,268	2,273	3,541			

Year	Average price per pound	Price support level 3/	Placed under Government loan		Remaining in Government loan stocks on February 29, 1968 4/
			Quantity	Percentage of crop	
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.
1955	52.7	48.3	298.9	20.2	0
1956	51.5	48.9	319.9	22.5	0
1957	55.4	50.8	107.8	11.1	0
1958	58.2	54.6	144.8	13.4	0
1959	58.3	55.5	55.3	5.1	0
1960	60.4	55.5	51.8	4.1	0
1961	64.2	55.5	70.3	5.6	1.9
1962	60.1	56.1	237.2	16.8	33.6
1963	58.0	56.6	277.2	20.2	161.3
1964	58.5	57.2	285.6	20.7	199.8
1965	64.6	57.7	71.5	6.8	41.5
1966	66.9	58.8	74.6	6.8	72.1
1967	2/64.4	59.9	282.3	22.3	280.7
1968		61.6			
Total			2,277.2		790.9

1/ Year beginning July 1. 2/ Subject to revision. 3/ Through 1959--90 percent of parity price; 1960 set at 1959 level; from 1961 on, adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years. 4/ As reported by Flue-cured Tobacco Cooperative Stabilization Corp.; the unstemmed loan stocks on the packed-weight basis average about 11 percent less than their farm-sales weight figures.

brands; and (3) increased use of imported cigarette tobacco. Use of imported cigarette tobacco rose 11 million pounds (farm-sales weight equivalent) in the year ended June 30, 1967.

Exports of flue-cured tobacco in the year ending June 30, 1968, seem likely to range between 525 and 535 million pounds (farm-sales weight)--approximately 50 to 60 million pounds less than the 1966/67 high. This would be the fourth largest on record. The sanctions against Rhodesian tobacco, the export payment program, and the improved quality of recent crops are principal factors contributing to the high level of flue-cured exports.

During July 1967 - January 1968, flue-cured exports were 15 percent below those in the same period a year earlier. Shipments to the United Kingdom declined 10 percent. Among the other leading export destinations West Germany, Japan, Sweden, Denmark, Belgium, Ireland, and Australia took smaller quantities for the July-January period than a year earlier, while the Netherlands and Thailand increased their takings.

USDA Holds Marketing Order Hearing

Farmer groups concerned about market congestion, particularly during the 1967 selling season, have proposed a federal marketing order to regulate the marketing of flue-cured tobacco. The proposed order was considered at a public hearing at 6 locations beginning February 26 at Greenville, N. C. and ending March 8 at Florence, S. C. The proposed order would regulate the movement of tobacco from farms to warehouse. An Administrative Committee elected by growers or nominated by organizations and 5 marketing districts (corresponding to the type producing areas) would be established to administer the order. Under terms of the order, the Administrative Committee would determine the salable quantity from all districts for each week. Then the Committee would recommend weekly marketable quantities of tobacco for each district. Committee recommendations would have to be approved by the Secretary of Agriculture. Marketable quantities would then be prorated among individual marketing district growers according to current poundage allotments.

In administering marketing orders and agreements, authorized by the Agricultural Marketing Agreement Act of 1937, the Secretary of Agriculture is required to consider testimony presented at a hearing, issue a recommended decision, and allow interested persons an opportunity to file exceptions. If the Secretary recommends an order, USDA would conduct a farmer referendum. A two-thirds favorable majority would be required for the Secretary to issue the order.

Burley, Type 31

Prices and Price Support

Auction prices for the 1967 burley crop averaged 71.7 cents a pound--a record level. This was nearly 5 cents above both 1966 and 1967. Markets opened November 28, and the season ended February 15, at Lexington, Ky. Gross volume sold was 10 percent below the previous year. About 82 percent of estimated producers' sales were made by December 20, when markets closed for the holidays. The year before, 63 percent of the crop had been sold by the holiday shutdown.

Overall quality of 1967-crop marketings was one of the best on record. Prices in all grades were up, mainly by 1 to 6 cents a pound. Price spreads between the C4F grade (one of the major cigarette grades) and some representative medium- and heavy-bodies grades were the smallest in several years. (See table 20.)

The Government support level for the 1967 crop was 61.8 cents a pound. Growers placed 63.8 million pounds under loan, equal to 12 percent of estimated producers' sales. This was a little larger quantity and percentage than in the previous season, but sharply below 1963 and 1964. As of February 29, 1968, Government loan stocks of burley amounted to 338 million pounds (farm-sales weight), compared with 311 million a year earlier and 294 million 2 years earlier. About 8

Table 20.--Burley tobacco: Price spreads among specified grades, average 1953-55, annual 1956-67

Period	Average price of C4F	Cents per pound lower than C4F						
		X4F	C4R	B4F	B4FR	B4R	T4R	NIG
	Ct. per lb.	Ct. per lb.	Ct. per lb.	Ct. per lb.	Ct. per lb.	Ct. per lb.	Ct. per lb.	Ct. per lb.
Average: 1953-55	64	1	6	8	15	23	28	43
1956	66	1	1	1	1	1	2	14
1957	67	1	3	4	7	10	13	29
1958	70	1	2	2	3	4	7	20
1959	70	1	2	2	7	12	17	32
1960	70	1	2	2	5	9	13	25
1961	71	1	4	3	5	8	10	15
1962	71	1	4	5	10	17	22	37
1963	71	1	6	5	12	20	26	42
1964	72	1	6	5	11	18	24	40
1965	73	1	6	5	8	13	15	28
1966	74	1	6	4	9	13	13	25
1967	75	0	3	4	7	8	9	14

million pounds of the February 1968 holdings have been sold.

In a mail ballot referendum during February 26-March 1, 1968, 97 percent of the burley growers voting approved marketing quotas (on an acreage allotment basis) for the 1968, 1969, and 1970 crops. Approval by at least two-thirds of those voting was required to continue quotas in effect. Acreage-poundage quotas were disapproved in referendums held in 1966 and 1967.

The price support level for the 1968 burley crop will be 63.5 cents a pound--1.7 cents or about 3 percent above the average level for the 1967 crop.

Supplies

The 1967/68 total supply of burley is estimated at 3 percent below a year earlier and about 5½ percent below the peak 3 years earlier. Carryover was down some from the previous year, and producers' sales declined below those in the 1966 season to the smallest in 7 years.

Farmers' March 1 intentions indicated that 238,200 acres of burley would be grown in 1968--virtually the same as harvested in 1967. Allotments for most farms are the same as in 1967. Based on an average yield with an allowance for trend, the 1968 burley crop would be 590 million pounds, about 9 percent larger than 1967 marketings. The 1967 average yield per acre fell below the previous year's high. Carryover of burley on October 1, 1968, is estimated around 1,310 million pounds--about 70 million less than last October 1. If the crop should turn out near 590 million pounds, total 1968/69 supplies--production plus the indicated carryover--would be around 1,900 million pounds, 1 percent less than for the current marketing year.

Table 21.--Burley tobacco, type 31: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks, October 1	Supply	Disappearance 1/		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1955	470	1,347	1,817	518	484	34
1956	506	1,299	1,805	510	482	28
1957	488	1,295	1,783	506	478	28
1958	465	1,277	1,742	518	483	35
1959	502	1,224	1,726	535	499	36
1960	485	1,191	1,676	549	508	41
1961	580	1,127	1,707	570	525	45
1962	675	1,137	1,812	584	531	53
1963	755	1,228	1,983	571	514	57
1964	620	1,412	2,032	616	560	56
1965	586	1,416	2,002	607	550	57
1966	587	1,395	1,982	600	543	57
1967 2/	*540	1,382	1,922			

Year	Average price per pound	Price support level 3/	Placed under Government loan		Remaining in Government loan stocks on February 29, 1968 4/
			Quantity	Percentage of crop	
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.
1955	58.6	46.2	73.1	15.6	0
1956	63.6	48.1	6.0	1.2	0
1957	60.3	51.7	16.6	3.4	0
1958	66.1	55.4	11.2	2.4	0
1959	60.6	57.2	13.2	2.6	0
1960	64.3	57.2	8.4	1.7	0
1961	66.5	57.2	10.3	1.8	0
1962	58.6	57.8	63.5	9.4	22.0
1963	59.2	58.3	202.3	26.8	80.7
1964	60.3	58.9	110.4	17.8	70.3
1965	67.0	59.5	42.2	7.2	40.2
1966	66.9	60.6	62.5	10.6	61.0
1967	*71.9	61.8	63.8	11.8	63.8
1968		63.5			
Total	---	---	683.5	---	5/338.0

1/ Year beginning October 1. 2/ Subject to revision. 3/ Through 1959--90 percent of parity price; 1960 set at 1959 level; from 1961 on, adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years. 4/ Actual loan stocks on a packed-weight basis average about 11 percent less than these farm-sales weight figures. 5/ About 8 million pounds of these holdings have been sold. * Indicated by sales data.

Domestic Use and Exports

Domestic use of burley in 1966/67 declined 1 percent from 1965/66. In 1967/68, domestic use may increase some from 1966/67.

Burley exports in 1966/67 were about equal to those of a year earlier. In the first 4 months of the current marketing year (October 1967-January 1968), burley exports (farm-sales weight) were 15 percent below a year earlier. Exports to West Germany (the leading outlet) fell 43 percent. Also, among the 9 other leading export destinations Switzerland, Thailand, Denmark, Finland, and Chile took less than a year earlier. Italy, Sweden, Portugal, and the Netherlands were higher. Non-U.S. burley production in 1967 gained 49 million pounds, or about one-fourth over 1966. Much of this gain is available for export.

Maryland, Type 32 3/

Prices and Price Support

Auctions for the 1967 Maryland crop are scheduled to open April 16 and continue through June 28. Sales will also be held at the Baltimore hogshead market, where approximately an eighth of the crop has been sold in recent years.

The 1967 crop will not receive Government price support, since growers disapproved a marketing quota for this crop, as they had done for the 1966 crop. Nor will the 1968 crop of Maryland tobacco be price-supported when it goes to market mostly in 1969, since growers again disapproved marketing quotas in a mail ballot referendum conducted February 19-23, 1968. About 56 percent of the growers voting approved marketing quotas--short of the two-thirds majority required to place marketing quotas into effect. Maryland growers have disapproved marketing quotas in referendums held in 3 successive years, and by law marketing quotas on this type cannot be proclaimed to apply before 1971 unless one-fourth or more of the growers petition the Secretary of Agriculture.

The average price for the 1966 crop (marketed mostly in 1967) was 49.0 cents a pound--25 percent below the preceding season's record average. General quality of the crop was adversely affected by dry weather.

Supplies

The 1967/68 supply of Maryland tobacco is 1 percent below a year earlier and about 3 percent below the peak 2 years earlier. A decrease in the January 1, 1968, carryover, compared with a year ago, more than offset an estimated moderate increase in the 1967 crop.

Based on farmers' intentions as of March 1, about 33,000 acres will be grown this year--about the same as in 1967.

Based on an average yield with allowance for trend, about 38.8 million pounds would be produced from the 1968 intended acreage--2 percent above the estimated 1967 outturn. Carryover next January 1 may approximate 86 million pounds--about the same as last January 1. The 1968/69 total supply--production plus carryover--is indicated at about 125 million pounds--slightly above the previous year.

Domestic Use and Exports

Domestic use of Maryland tobacco in 1966/67 declined 5 percent below the relatively high 1965/66 level and about equaled use in 1964/65. Domestic use in recent years has been at a higher level than during the 1961-63 marketing years, when such use declined steadily.

3/ For marketing quota purposes, the carryover and total supply of Maryland tobacco are calculated as of the January 1 falling within the marketing year, October 1 through September 30. Disappearance is calculated on the October-September basis.

Table 22.--Maryland tobacco, type 32: Domestic supplies, disappearance, season average price and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks following Jan. 1 1/	Supply	Disappearance 2/		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1955	31.5	77.5	109.0	38.6	25.7	12.9
1956	36.5	69.7	106.2	34.9	21.4	13.5
1957	38.5	69.4	107.9	37.0	25.0	12.0
1958	31.1	70.9	102.0	39.4	24.1	15.3
1959	31.2	64.2	95.4	32.3	20.4	11.9
1960	34.7	61.7	96.4	35.6	23.6	12.0
1961	38.8	60.6	99.4	32.6	20.7	11.9
1962	40.6	67.3	107.9	30.7	19.5	11.2
1963	34.5	76.6	111.1	31.0	18.5	12.5
1964	42.3	82.0	124.3	32.9	23.3	9.6
1965	38.5	90.1	128.6	35.7	24.7	11.0
1966	35.7	89.7	125.4	39.9	23.4	16.5
1967 3/	38.0	86.3	124.3			

Year	Average price per pound	Price support level 4/	Placed under Government loan		Remaining in Government loan stocks on February 29, 1968 5/
			Quantity	Percentage of crop	
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.
1955	50.8	No price support	6/		
1956	51.7	47.0	3.3	9.0	0
1957	44.9	48.0	5.9	15.3	1.4
1958	62.5	50.8	1.1	3.6	.1
1959	61.6	No price support	6/		
1960	63.8	50.8	1.6	4.6	.2
1961	62.0	50.8	3.7	9.5	.7
1962	55.8	51.3	6.0	14.8	2.3
1963	43.2	51.8	10.4	30.1	9.0
1964	62.0	52.3	4.2	10.1	2.9
1965	65.5	52.8	2.7	7.0	1.4
1966	49.0	No price support	6/		
1967		No price support	6/	Auctions scheduled to start April 16, 1968	
1968		No price support	6/		
Total	---	---	38.9	---	18.0

1/ For marketing quota purposes, the carryover and total supply of Maryland tobacco are calculated as of January 1 falling within the marketing year--October 1 through September 30. 2/ Year beginning October 1. 3/ Subject to revision. 4/ Through 1959--90 percent of parity price; 1960 set at 1959 level; from 1961 on, adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years. 5/ Actual loan stocks on a packed-weight basis average about 2 percent less than these farm-sales weight figures. 6/ Marketing quota not in effect since over one-third of growers voting disapproved.

Exports of Maryland tobacco in 1966/67, at 16½ million pounds farm-sales weight, were the highest in about 40 years. In the current marketing year, however, exports will likely be below this near-record level. During the first third of the current marketing year (October 1967-January 1968), exports were about 32 percent less than a year earlier. Switzerland, the principal outlet as usual, cut takings by about half. None was reported shipped to Portugal, Spain, or South Vietnam; a year earlier, significant quantities had gone to these countries. On the other hand, exports to West Germany and Belgium were up sharply.

Fire-Cured, Types 21-23

Prices and Price Supports

Auctions for Virginia fire-cured, type 21, began December 4 and ended February 15. Volume of sales was the second smallest on record--8 percent below the comparatively small volume of the preceding year. General quality of offerings was lower. The auction average, at 40.9 cents a pound, was slightly below the previous season, but still third highest on record.

Auctions for Kentucky-Tennessee fire-cured, types 22 and 23, began January 18 and 22, respectively, and final sales were made on February 23 for type 23 and March 15 for type 22. Gross sales for type 22 were over a fourth below the preceding season, averaging a record 46.1 cents a pound--10 percent higher than in 1967. Gross sales for type 23 dropped nearly 40 percent to the lowest on record, and averaged 43.5 cents a pound--above any previous year.

The Government price-support level for the 1967 crop of fire-cured was 41.9 cents a pound. During the season just ended, growers of Virginia fire-cured placed about 658,000 pounds under Government loan--6 percent more than in the preceding season. Placements represented about 10 percent of the crop, compared with 8 percent the year before.

Growers of Kentucky-Tennessee, type 22, placed about 760,000 pounds under loan--around 3 percent of total estimated marketings. This was the second lowest quantity and proportion on record. Loan deliveries of type 23 dropped to 63,000 pounds--also near-record low--only 1 percent of net sales. In the previous season, 902,000 pounds--9 percent of net sales--went under loan.

The 1968 crop of fire-cured will receive Government price support at an overall level of 43.1 cents a pound--about 3 percent above the level in effect for the 1967 crop.

Supplies

The 1967/68 supply of Virginia fire-cured is 8 percent below a year earlier, while the supply of the Kentucky-Tennessee types is 11 percent smaller.

According to farmers' intentions as of March 1, about 17,800 acres of Kentucky-Tennessee fire-cured and 5,300 acres of Virginia fire-cured will be grown in 1968. Intended acreage of both kinds are down about 2 percent from last year. Acreage allotments for most farms are about the same as for 1967. If the yield per acre equals the average (with allowance for trend), production of the combined fire-cured types would be close to 40 million pounds--about 9 percent above 1967 crop marketings.

Carryover of fire-cured on October 1, 1968, may be around 90 million pounds--16 million less than last October 1. Such stocks, plus the indicated crop, would provide a total 1968/69 supply of about 130 million pounds--9 percent smaller than for the current year.

Domestic Use and Exports

In 1966/67, domestic use of Kentucky-Tennessee types 22-23 rose about a sixth above the relatively low figure calculated for 1965/66, but domestic use of Virginia type 21 fell nearly a fourth.

Table 23.--Fire-cured tobacco, type 21: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks, October 1	Supply	Disappearance 1/		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1955	10.5	26.6	37.1	12.7	6.7	6.0
1956	10.7	24.4	35.1	10.3	4.8	5.5
1957	8.6	24.8	33.4	9.6	4.2	5.4
1958	9.4	23.8	33.2	10.7	5.3	5.4
1959	10.0	22.5	32.5	10.3	4.9	5.4
1960	8.9	22.2	31.1	10.2	4.0	6.2
1961	9.8	20.9	30.7	10.8	5.5	5.3
1962	9.5	19.9	29.4	9.2	4.1	5.1
1963	6.2	20.2	26.4	9.6	3.0	6.6
1964	9.1	16.8	25.9	10.3	4.0	6.3
1965	9.6	15.6	25.2	8.3	3.0	5.3
1966	7.5	16.9	24.4	9.6	2.3	7.3
1967 2/	6.9	14.8	21.7			

Year	Average price per pound	Price support level 3/	Placed under Government loan		Remaining in Government loan stocks on February 29, 1968 4/
			Quantity	Percentage of crop	
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.
1955	31.3	34.6	1.8	17.1	0
1956	39.5	36.1	1.7	15.9	0
1957	38.7	38.8	1.0	11.6	0
1958	36.9	38.8	2.2	23.4	0
1959	37.6	38.8	.8	8.1	5/
1960	39.4	38.8	.3	3.3	5/
1961	38.8	38.8	.9	9.8	.2
1962	38.8	39.2	1.2	12.6	.1
1963	35.5	39.6	.4	6.5	.4
1964	43.1	40.0	.3	3.3	.2
1965	39.9	40.4	1.0	10.4	.9
1966	41.2	41.1	.6	8.0	.6
1967	*40.9	41.9	.7	10.1	.7
1968		43.1			
Total	---	---	12.9	---	3.1

1/ Year beginning October 1.
2/ Subject to revision.
3/ Through 1957--75 percent of burley support; 1958-60 legal basis changed; from 1961 on adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years.
4/ Actual loan stocks on a packed-weight basis are somewhat lower than these farm-sales weight figures.
5/ Less than 50,000 pounds.
* Indicated by sales data.

Table 24.--Fire-cured tobacco, types 22-23: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks, October 1	Supply	Disappearance 1/		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1955	54.7	110.5	165.2	52.0	24.6	27.4
1956	59.9	113.2	173.1	52.3	27.5	24.8
1957	41.9	120.8	162.7	53.3	29.5	23.8
1958	33.9	109.4	143.3	44.1	24.6	19.5
1959	43.1	99.2	142.3	41.1	22.5	18.6
1960	36.5	101.2	137.7	44.9	23.9	21.0
1961	43.3	92.8	136.1	46.7	17.2	29.5
1962	44.6	89.4	134.0	40.8	21.1	19.7
1963	49.7	93.2	142.9	41.4	19.6	21.8
1964	46.0	101.5	147.5	42.7	21.7	21.0
1965	36.6	104.8	141.4	45.6	18.0	27.6
1966	40.2	95.8	136.0	44.7	21.0	23.7
1967 2/	*29.5	91.3	120.8			

Year	Average price per pound	Price support level 3/	Placed under Government loan		Remaining in Government loan stocks on February 29, 1968 4/
			Quantity	Percentage of crop	
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.
1955	38.4	34.6	7.9	14.4	0
1956	36.1	36.1	18.6	31.1	0
1957	36.4	38.8	13.9	33.1	0
1958	38.1	38.8	4.4	12.0	5/
1959	38.3	38.8	5.3	12.3	.1
1960	43.3	38.8	3.2	8.7	2.4
1961	40.2	38.8	5.1	11.8	2.2
1962	38.7	39.2	8.6	19.3	4.2
1963	36.9	39.6	13.0	26.2	5.1
1964	41.0	40.0	7.2	15.7	5.6
1965	43.6	40.4	2.3	6.3	1.9
1966	42.2	41.1	6.3	15.7	5.7
1967	*46.5	41.9	.8	2.7	.8
1968		43.1			
Total	---	---	96.6	---	28.0

1/ Year beginning October 1.
2/ Subject to revision.
3/ Through 1957--75 percent of burley support; 1958-60 legal basis changed; from 1961 on adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years.
4/ Actual loan stocks on a packed-weight basis are somewhat lower than these farm-sales weight figures.
5/ Less than 50,000 pounds.
* Indicated by sales data.

During the first third of the current marketing year (October 1967-January 1968), exports of Kentucky-Tennessee fire-cured were 31 percent ahead of those a year earlier. The Netherlands, accounting for over half of the total, boosted its takings sharply. Sweden, France, Italy, and West Germany also took more than a year ago, but less went to Switzerland, Belgium, and Denmark. None was reported exported to South Vietnam; a year earlier, a significant quantity had been shipped there.

Exports of Virginia fire-cured in October 1967-January 1968 dropped 44 percent below the relatively large year-earlier figure and were 4 percent below exports 2 years earlier. Norway--the leading outlet--cut its takings 24 percent. West Germany, Sweden, United Kingdom, and Switzerland, also took less than a year earlier. None was reported exported to Austria, whereas a year earlier a significent quantity had been shipped there. New Guinea increased its takings appreciably.

Dark Air-Cured and Sun-Cured, Types 35-37

Prices and Price Supports

Auction markets for type 35 (One Sucker), type 36 (Green River), and type 37 (Virginia sun-cured) opened during the first week of December and closed January 26 for type 37, January 25 for type 36, and February 2 for type 35. Prices for each of the 3 types averaged record high, while volume sold was record or near-record low. Auction sales of type 35 averaged 41.7 cents a pound--11 percent above the previous year; sales volume dropped 38 percent to the lowest on record; quality of offerings was not quite as good as in the preceding season. The auction price of type 36 averaged 37.9 cents a pound--up 4 percent from the previous year. Sales volume was second lowest on record, declining more than a fourth below the previous season; quality of offerings was lower than the year before. For all auction sales of Virginia sun-cured, the price average was 45.2 cents a pound--7 percent above the previous season; poundage sold fell 14 percent to the second lowest on record; general quality was improved over the 1966 crop. About 13 percent of the Virginia sun-cured volume was sold on the fire-cured markets.

The Government support level for the 1967 crop of dark air-cured and sun-cured was 37.3 cents a pound. In the season recently ended, growers of One Sucker placed about 925,000 pounds under loan--9 percent of marketings. This was the lowest quantity and proportion in 6 years. Type 36 loan placements amounted to 475,000 pounds, or about 12 percent of marketings, the smallest quantity and proportion in 9 years. Loan placements of Virginia sun-cured were small as usual, amounting to around 26,000 pounds, or about 2 percent of the crop.

About 93 percent of the growers of Virginia sun-cured, type 37, voting in a mail ballot referendum during February 26-March 1, 1968, approved marketing quotas for the 1968, 1969, and 1970 crops. Growers of dark air-cured, types 35-36, had approved marketing quotas on their 1967-69 crops in a previous referendum.

The overall Government price support level for the 1968 crops of dark air- and sun-cured will be 38.3 cents a pound--about 3 percent above the support level in effect for the 1967 crop.

Supplies

The 1967/68 combined supply of dark air-cured, at about 81½ million pounds, is down more than 6 million pounds from 1966/67. The supply of dark air-cured is down 7 percent, principally because of a sharp drop in marketings. The supply of Virginia sun-cured is down 5 percent.

According to farmers' intentions on March 1, about 9,900 acres of dark air-cured types 35-36 and 1,100 acres of sun-cured will be grown in 1968. Prospective acreage of types 35-36 is down 3 percent, and that of Virginia sun-cured is down about 8 percent from 1967. For

Table 25.--Dark air-cured tobacco, types 35-36: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks, October 1	Supply	Disappearance 1/		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1955	27.8	76.6	104.4	23.6	18.4	5.2
1956	30.7	80.8	111.5	34.0	23.4	10.6
1957	19.8	77.5	97.3	24.8	18.5	6.3
1958	16.1	72.5	88.6	25.0	17.5	7.5
1959	19.3	63.6	82.9	21.9	16.4	5.5
1960	18.2	61.0	79.2	22.0	17.3	4.7
1961	20.6	57.2	77.8	22.6	17.9	4.7
1962	22.5	55.2	77.7	19.5	16.5	3.0
1963	24.2	58.2	82.4	21.2	18.1	3.1
1964	22.7	61.2	83.9	22.0	18.0	4.0
1965	18.5	61.9	80.4	19.8	16.2	3.6
1966	21.3	60.6	81.9	21.4	17.0	4.4
1967 2/	*15.4	60.5	75.9			

Year	Average price per pound	Price support level 3/	Placed under Government loan		Remaining in Government loan stocks on February 29, 1968 4/
			Quantity	Percentage of crop	
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.
1955	31.8	30.8	6.3	22.7	0
1956	34.0	32.1	6.6	21.5	0
1957	36.1	34.5	3.0	15.2	0
1958	38.4	34.5	.5	2.7	0
1959	34.5	34.5	3.7	19.2	0
1960	37.4	34.5	2.2	12.2	0
1961	37.8	34.5	1.9	9.2	1.2
1962	36.2	34.8	4.1	18.2	2.7
1963	33.3	35.2	8.3	34.3	6.4
1964	37.0	35.5	3.7	16.3	3.4
1965	37.0	35.9	3.2	17.3	2.8
1966	37.3	36.6	4.7	22.1	4.6
1967	*41.0	37.3	1.4	9.1	1.4
1968		38.3			
Total	---	---	49.6	---	22.5

1/ Year beginning October 1.
2/ Subject to revision.
3/ Through 1957--66-2/3 percent of burley support; 1958-60 legal basis changed; from 1961 on adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent years.
4/ Actual loan stocks on a packed-weight basis are somewhat lower than these farm-sales weight figures.
* Indicated by sales data.

Table 26.--Sun-cured tobacco, type 37: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks, October 1	Supply	Disappearance 1/		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1955	3.3	4.2	7.5	2.9	2.1	0.8
1956	3.2	4.6	7.8	2.5	1.9	.6
1957	2.7	5.3	8.0	2.5	1.9	.6
1958	1.9	5.5	7.4	2.5	2.2	.3
1959	2.2	4.9	7.1	1.9	1.6	.3
1960	1.8	5.2	7.0	2.0	1.7	.3
1961	2.2	5.0	7.2	2.1	1.8	.3
1962	2.3	5.1	7.4	2.3	2.0	.3
1963	1.1	5.1	6.2	2.0	1.7	.3
1964	1.8	4.2	6.0	1.7	1.4	.3
1965	2.0	4.3	6.3	2.0	1.7	.3
1966	1.5	4.3	5.8	1.6	1.2	.4
1967 2/	1.3	4.2	5.5			

Year	Average price per pound	Price support level 3/	Placed under Government loan		Remaining in Government loan stocks on February 29, 1968
			Quantity	Percentage of crop	
	Ct.	Ct.	1,000 lb.	Pct.	1,000 lb.
1955	25.3	30.8	72	2.2	0
1956	35.7	32.1	103	3.2	0
1957	34.0	34.5	11	.4	0
1958	36.8	34.5	29	1.5	0
1959	34.4	34.5	24	1.1	0
1960	37.9	34.5	5	.3	0
1961	39.8	34.5	7	.3	0
1962	37.4	34.8	59	2.6	0
1963	31.4	35.2	92	8.1	0
1964	41.2	35.5	16	.9	0
1965	39.2	35.9	75	3.8	0
1966	42.3	36.6	26	1.7	0
1967	*45.1	37.3	26	2.0	
1968		38.3			
Total	---	---	545	---	0

1/ Year beginning October 1.
2/ Subject to revision.
3/ Through 1957--66-2/3 percent of burley support; 1958-60 legal basis changed; from 1961 on adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent years.
* Indicated by sales data.

most farms in 1968, acreage allotments are the same as in 1967. Based on an average yield per acre, with allowance for trend, 1968 production of dark air-cured and sun-cured would be nearly 20 million pounds--about 3 million more than marketings from the 1967 crop.

The combined carryover of dark air- and sun-cured types on October 1, 1968, may approach 60 million pounds--down 5 million from last October 1. The indicated carryover plus this year's crop would result in total 1968/69 supplies approximating 80 million pounds--about 2 to 3 percent less than for the current marketing year.

Domestic Use and Exports

Domestic use of dark air-cured, types 35-36, rose 5 percent in 1966/67 while domestic use of the much smaller-volume Virginia sun-cured type 37 dropped nearly 30 percent below the level of a year earlier. Output of plug, twist, and fine-cut chewing tobaccos--the chief outlet for dark air-cured in this country--declined 1½ percent below a year earlier. In October-December 1967 (first quarter of the current marketing year), it continued about 1½ percent less than a year earlier.

In the first 4 months of the current marketing year (October 1967-January 1968) exports of One Sucker leaf dropped 50 percent below a year earlier. Takings by Belgium dropped an eighth, while none was exported to South Vietnam (in contrast to a significant quantity in the corresponding period a year ago). Exports of Green River rose a fifth, mainly due to increased shipments to Australia and Belgium. Consignments to the United Kingdom declined 10 percent.

A large part of U.S. exports of dark air-cured tobacco is made in the form of Black Fat--a semiprocessed product. In Oct. 1967-Jan. 1968, these exports were 16 percent larger than a year earlier. Shipments to Togo, Cameroon, and Spanish Africa rose sharply, while less than a year earlier was exported to Nigeria, Ghana, and West Africa.

Cigar Tobacco, Domestic and Imported

Prices and Price Supports

Overall price support levels for the eligible kinds of cigar tobacco, in 1968 and recent years are:

	1965	1966	1967	1968
	- - - Cents per pound - - -			
Puerto Rican (type 46)	30.9	31.5	32.1	33.0
Conn. Valley (types 51-52)	41.2	42.0	42.8	44.0
Ohio-Wis. (types 42-44 and 54-55)	29.7	30.3	30.9	31.7

Government price support is not in effect for Pennsylvania tobacco (type 41), since growers disapproved marketing quotas in a recent referendum. (See page 26 for referendum results.) Connecticut Valley and Georgia-Florida shade-grown cigar wrapper (types 61-62) are not included among the types covered by price-support legislation.

For 1967 crop sales through mid-March, the average price of Southern Wisconsin tobacco (type 54) averaged about 34½ cents --slightly higher than for the 1966 crop. Prices of Northern Wisconsin (type 55) averaged about 34½ cents--about 2 cents above the 1966 average.

Official season average prices of the 1967 cigar tobacco crops are scheduled for release May 10.

1968 Cigar Filler and Binder Acreage Allotments

The 1968 acreage allotments for Connecticut Valley types 51-52 and Ohio filler-Wisconsin binder types 42-44 and 54-55 were announced on January 25. The acreage allotment for types 51-52 is 4,218 acres, compared with 4,396 acres for 1967. The

Table 27.--Cigar tobacco price support operations, quantities placed under loan, 1955-67, and remaining under loan February 29, 1968

Crop	Puerto Rican, type 46	Ohio, types 42-44	Conn. Valley, type 51	Conn. Valley, type 52	So. Wis., type 54	No. Wis., type 55	Total
	Quantities placed under loan						
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1955	2.8	0.8	7.8	5.2	0.4	3.1	20.1
1956	1.5	.4	1.7	1.6	.1	.9	6.2
1957	2.0	.1	2.5	.4	0	.3	5.3
1958	2.0	0	.3	.1	0	.1	2.5
1959	1.8	0	1.5	.2	.9	1/	4.4
1960	.9	0	1.6	2.6	3.2	3.2	11.5
1961	.4	0	.8	1.9	1.5	4.5	9.1
1962	.7	.1	.2	1.4	.3	4.4	2/7.1
1963	.6	.6	.2	1.3	1.0	3.1	6.8
1964	0	.1	.1	1.0	1/	.8	2.0
1965	1.8	.2	.9	.5	.6	3.2	7.2
1966	6.1	.2	.6	.3	.1	3.3	10.6
1967 3/	4/	0	1/	1/	.1	1.4	1.5
Total	20.6	2.5	18.2	16.5	8.2	28.3	94.3
	Remaining under loan as of February 29, 1968						
1960	0	0	0	0	0	0	0
1961	0	0	0	.6	0	0	.6
1962	0	0	0	.1	0	0	.1
1963	0	0	.1	.2	0	0	.3
1964	0	0	.1	.3	0	0	.4
1965	1.7	0	.2	.3	.6	2.6	5.4
1966	0	.1	.3	.2	.1	3.3	4.0
1967	4/	0	1/	1/	.1	1.4	1.5
Total	1.7	.1	.7	1.7	.8	7.3	12.3

1/ Negligible. 2/ Includes negligible amount from the 1962 crop of New York and Pennsylvania Havana Seed (type 53). 3/ Preliminary; subject to revision. 4/ Not yet marketed.

acreage allotment for types 42-44 and 54-55 is 19,435 acres, compared with 19,837 acres in 1967. Allotments were not reduced for farms that had planted at least 75 percent of their allotments during 1 of the preceding 4 years, but were reduced for some farms that substantially decreased the size of plantings during recent years.

Supplies

Filler: The total 1967/68 supply of Pennsylvania filler is the smallest in 9 years--8 percent below 1966/67. According to March 1 grower's intentions, the 1968 acreage would be 5 percent below that harvested in 1967. Based on an average yield adjusted for trend, 1968 production could approximate 39 million pounds --about 3½ million less than 1967.

The 1967/68 supply of Ohio filler is record low--down 14 percent from the previous year. The 1968 prospective acreage is down 9 percent from 1967. Allowing for trends in yields, this year's crop might be around 3-3/4 million pounds--up slightly from 1967, when the average yield per acre dropped sharply below the previous year's record high.

The January 1, 1968, stocks of Puerto Rican tobacco (on the Island and in the U.S.) totaled 37 million pounds--down 23 percent from a year earlier and 34 percent below the high level 2 years earlier. The crop planted in late 1967 for harvest in early 1968 is tentatively estimated at 11½ million pounds--only about a third of the average annual harvest in the 1961-64 period.

Imported Cigar Tobacco:

In 1967, about 52 million pounds (farm-sales weight equivalent) of foreign cigar tobaccos arrived in the United States--about 7 million more than in 1966, but nearly 32 million less than in 1965:

Country of origin	General imports (farm-sales weight equivalent)		
	1965 Mil. lb.	1966 Mil. lb.	1967 Mil. lb.
Philippine Rep.	43.3	26.4	18.5
Dominican Rep.	5.8	1.1	7.7
Colombia	8.3	5.2	5.9
Mexico	3.8	4.8	3.6
Brazil	11.2	2.8	3.1
Paraguay	2.2	1.2	2.5
Indonesia	3.0	.1	2.3
Honduras	.8	1.0	1.8
Argentina	.4	.2	.2
Other	4.9	2.4	6.5
Total	83.7	45.2	52.1

At 78 million pounds (farm-sales weight), foreign-grown cigar tobacco stocks (owned by manufacturers and dealers) in the United States on January 1, 1968 were 19 percent lower than a year earlier and 38 percent below the peak 2 years earlier:

Country of origin	January 1 stocks--(farm-sales weight)			
	1965 Mil. lb.	1966 Mil. lb.	1967 Mil. lb.	1968 Mil. lb.
Philippines	28.0	47.6	38.4	28.2
Dominican Rep.	23.5	15.8	9.7	9.5
Colombia	17.7	15.7	11.1	9.3
Brazil	12.0	15.6	12.8	8.4
Indonesia	7.1	6.9	5.1	4.6
Cuba	14.5	9.2	5.4	3.2
Paraguay	3.5	4.8	2.4	2.8
Other	7.6	10.9	11.3	11.9
Total	113.9	126.5	96.2	77.9

Table 28.--Cigar filler tobacco, types 41-46: Domestic supplies, disappearance, and season average prices, for specified periods

(Farm-sales weight)

Year	Production	Stocks, October 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.
Pennsylvania Seedleaf (type 41)							
1957	41.2	105.3	146.5	42.8	42.7	0.1	20.5
1958	51.0	103.7	154.7	50.4	50.1	.3	28.0
1959	53.5	104.3	157.8	48.1	48.0	.1	31.5
1960	52.7	109.7	162.4	47.5	47.4	.1	28.0
1961	53.5	114.9	168.4	45.5	45.4	.1	27.0
1962	60.0	122.9	182.9	2/52.0	2/51.7	.3	23.5
1963	51.8	128.0	179.8	2/44.7	44.2	.5	21.0
1964	45.9	138.1	184.0	54.6	54.1	.5	27.0
1965	51.3	129.4	180.7	53.0	51.2	1.8	24.0
1966	40.2	127.7	167.9	55.6	54.1	1.5	25.0
1967 3/	42.4	112.3	154.7				
Ohio, Miami Valley (types 42-44)							
1957	4.6	23.1	27.7	7.2	7.2		22.8
1958	2.5	20.5	23.0	5.9	5.9		24.2
1959	6.9	17.1	24.0	6.5	6.5		27.3
1960	6.6	17.5	24.1	6.5	6.5		28.1
1961	7.7	17.6	25.3	5.1	5.1		28.3
1962	7.5	20.2	27.7	6.6	6.6		28.2
1963	6.8	21.1	27.9	8.7	8.7		27.1
1964	5.8	19.2	25.0	8.0	8.0		26.7
1965	5.4	17.0	22.4	6.2	6.2		26.2
1966	6.0	16.2	22.2	6.7	6.7		28.0
1967 3/	3.6	15.5	19.1				
Puerto Rico (type 46) 4/							
1957	26.7	50.3	77.0	27.4	27.3	.1	27.5
1958	25.6	49.6	75.2	32.8	31.6	1.2	30.0
1959	28.1	42.4	70.5	26.7	26.2	.5	31.6
1960	27.5	43.8	71.3	28.0	27.9	.1	33.7
1961	30.7	43.3	74.0	32.4	32.3	.1	36.8
1962	35.6	41.6	77.2	28.0	28.0	---	38.0
1963	32.0	49.2	81.2	29.8	29.6	.2	40.8
1964	37.9	51.4	89.3	26.7	26.7	---	37.2
1965	16.2	62.6	78.8	27.0	27.0	---	5/32.1
1966	12.2	51.8	64.0	23.5	23.5	---	5/30.9
1967 3/	*11.5	40.5	52.0				

1/ Year beginning October 1. 2/ Adjusted to take into account 1962 tobacco still held at the farm level at end of 1962-63 marketing year. 3/ Subject to revision. 4/ Puerto Rican planting occurs late in calendar year. 5/ Excludes 6 cents per pound payment by Puerto Rican Government.

* Preliminary estimate.

Table 29.--Cigar binder tobacco, types 51-52: Domestic supplies, disappearance and season average prices, for specified periods

(Farm-sales weight)

Year	Production	Stocks, October 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.
	Connecticut Valley Broadleaf (type 51)						
1957	5.1	25.5	30.6	8.4	7.7	0.7	50.0
1958	3.6	22.2	25.8	5.8	5.6	.2	54.0
1959	4.5	20.0	24.5	4.1	3.9	.2	45.0
1960	3.6	20.4	24.0	4.6	4.3	.3	44.0
1961	3.1	19.4	22.5	3.7	3.6	.1	43.3
1962	2.9	18.8	21.7	6.2	6.0	.2	53.5
1963	3.7	15.5	19.2	4.6	4.3	.3	51.0
1964	3.8	14.6	18.4	3.7	2/	2/	50.0
1965	3.5	14.7	18.2	4.3	2/	2/	46.5
1966	2.7	13.9	16.6	4.8	2/	2/	52.0
1967 3/	2.1	11.8	13.9				
	Connecticut Valley Havana Seed (type 52)						
1957	3.2	20.2	23.4	7.5	6.3	1.2	44.9
1958	1.8	15.9	17.7	3.2	2.6	.6	49.4
1959	3.2	14.5	17.7	4.9	4.2	.7	41.2
1960	3.2	12.8	16.0	4.2	2.4	1.8	42.5
1961	2.4	11.8	14.2	3.2	2.1	1.1	40.6
1962	2.4	11.0	13.4	3.3	2.6	.7	42.5
1963	2.3	10.1	12.4	4.1	2.8	1.3	41.6
1964	1.9	8.3	10.2	3.6	2/	2/	43.8
1965	1.5	6.6	8.1	2.7	2/	2/	44.5
1966	1.1	5.4	6.5	2.0	2/	2/	49.5
1967 3/	.8	4.5	5.3				
	Total Connecticut Valley (types 51-52)						
1957	8.3	45.7	54.0	15.9	14.0	1.9	48.2
1958	5.4	38.1	43.5	9.0	8.2	.8	52.4
1959	7.7	34.5	42.2	9.0	8.1	.9	43.4
1960	6.8	33.2	40.0	8.8	6.5	2.3	43.3
1961	5.5	31.2	36.7	6.9	5.7	1.2	42.1
1962	5.3	29.8	35.1	9.5	8.6	.9	48.5
1963	6.0	25.6	31.6	8.7	7.1	1.6	47.5
1964	5.7	22.9	28.6	7.3	5.2	2.1	47.9
1965	5.0	21.3	26.3	7.0	4.9	2.1	45.9
1966	3.8	19.3	23.1	6.8	5.2	1.6	51.2
1967 3/	2.9	16.3	19.2				

1/ Year beginning October 1.

2/ Breakdown between domestic use and exports not available for individual types of Connecticut Valley binder tobacco.

3/ Subject to revision.

Table 30.--Cigar binder tobacco, types 54-55: Domestic supplies, disappearance, and season average prices, for specified periods

(Farm-sales weight)

Year	Production	Stocks, October 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.
	Southern Wisconsin (type 54)						
1957	7.6	21.0	28.6	8.6	8.2	0.4	31.1
1958	8.8	20.0	28.8	8.0	7.6	.4	34.6
1959	9.2	20.9	30.1	8.0	7.7	.3	29.3
1960	8.6	22.2	30.8	7.5	7.3	.2	28.0
1961	9.0	23.3	32.3	9.0	8.9	.1	28.7
1962	8.7	23.3	32.0	7.7	7.6	.1	29.3
1963	8.3	24.3	32.6	9.7	9.7	2/	30.0
1964	8.7	22.9	31.6	8.9	3/	3/	32.2
1965	8.5	22.7	31.2	8.8	3/	3/	29.7
1966	7.4	22.4	29.8	9.1	3/	3/	34.3
1967 4/	7.2	20.7	27.9				
	Northern Wisconsin (type 55)						
1957	12.2	31.6	43.8	17.2	15.1	2.1	33.5
1958	13.0	26.6	39.6	14.4	12.1	2.3	35.2
1959	11.6	25.3	36.9	12.4	11.5	.9	37.1
1960	12.3	24.4	36.7	11.3	10.9	.4	30.6
1961	13.4	25.4	38.8	11.0	10.6	.4	29.6
1962	10.9	27.8	38.7	11.1	10.9	.2	29.1
1963	9.7	27.6	37.3	12.5	12.5	2/	31.6
1964	11.2	24.8	36.0	9.2	3/	3/	35.8
1965	10.8	26.8	37.6	9.4	3/	3/	28.9
1966	8.8	28.2	37.0	7.7	3/	3/	32.4
1967 4/	7.8	29.3	37.1				
	Total Wisconsin (types 54-55)						
1957	19.8	52.6	72.4	25.8	23.3	2.5	32.6
1958	21.8	46.6	68.4	22.4	19.7	2.7	35.0
1959	20.8	46.2	67.0	20.4	19.2	1.2	33.7
1960	20.9	46.6	67.5	18.8	18.2	.6	29.5
1961	22.4	48.7	71.1	20.0	19.5	.5	29.2
1962	19.6	51.1	70.7	18.9	18.6	.3	29.2
1963	18.0	51.9	69.9	22.2	22.2	2/	30.9
1964	19.9	47.7	67.6	18.1	17.5	.6	34.2
1965	19.3	49.5	68.8	18.2	17.9	.3	29.3
1966	16.2	50.6	66.8	16.8	16.5	.3	33.3
1967 4/	15.0	50.0	65.0				

1/ Year beginning October 1.
2/ Negligible.
3/ Breakdown between domestic use and exports not available for individual types of Wisconsin tobacco.
4/ Subject to revision.

Binder: Total 1967/68 supplies of Connecticut Valley binder types are lowest on record--a sixth below 1966/67. Based on farmers' intentions as of March 1, prospective acreage of Broadleaf is the same as harvested last year, but that of Havana Seed is up 5 percent. Allowing for trend in average yields per acre, 1968 production of the Connecticut Valley binder types may approximate 3 million pounds, a little above 1967.

Total 1967/68 supplies of Wisconsin tobacco are a little below 1966/67, all the decline occurring in the Southern Wisconsin type. The 1968 intended acreage of Southern Wisconsin tobacco is the same as harvested in 1967, while intentions for Northern Wisconsin indicate a decline of 9 percent. Based on average yields adjusted for trend, the 1968 production of the combined types may approximate $14\frac{1}{4}$ million pounds--3/4 million pounds less than estimated production in 1967.

Wrapper: Total 1967/68 supplies of shade-grown cigar wrapper are down 5 percent, with all the decrease occurring in the Connecticut Valley type. Prospective 1968 acreage is down 1 percent from 1967 in the Connecticut Valley and down 2 percent in Georgia-Florida. Based on average yields adjusted for trend, 1968 production in both areas combined would be 19.8 million pounds--7 percent more than in 1967, when yields per acre averaged the second lowest in 9 years.

Domestic Use and Exports

Filler: Disappearance of U.S. filler types totaled about 86 million pounds in 1966/67--slightly below the previous marketing year. Domestic use (98 percent of total disappearance) was about the same, but exports (accounting for the other 2 percent) were down some. During the first 4 months of the 1967/68 marketing year, exports continued to fall and were 57 percent below those a year earlier. None was reported shipped to South Vietnam, in contrast to a sizable quantity a year earlier, and reduced shipments went to Canada. France took substantially more than a year earlier.

Imported Tobacco: During October 1967/January 1968, cigar tobacco imported for consumption totaled about 23 million pounds (farm-sales weight equivalent)--nearly a tenth above a year earlier. Imports from the Dominican Republic, Brazil, Colombia, Indonesia, Argentina, and Honduras gained. Reduced imports came from the Philippine Republic, Mexico, Paraguay, and Jamaica. Also, stocks data indicate a continued drop in use of Cuban tobacco.

Binder: Disappearance of Connecticut Valley binder, at 6.8 million pounds in 1966/67, was a new low. Domestic use (about three-fourths of the total) rose moderately, but exports dropped 24 percent. During the first 4 months of 1967/68, exports of Connecticut Valley binder were about double the year-earlier level, due mainly to a big increase in exports to West Germany.

Disappearance of Wisconsin tobacco in 1966/67 fell 8 percent, attributable to a drop in the Northern Wisconsin type. During October 1967-January 1968, exports of Wisconsin tobacco were sharply below those a year ago. The Netherlands cut its takings, and none was reported going to Canada and Belgium.

Wrapper: During July 1966-June 1967 (the designated marketing year for wrapper) disappearance of Connecticut Valley wrapper rose over a tenth above 1965/66, with gains in both domestic use and exports. Disappearance of Georgia-Florida wrapper declined 8 percent to a 6-year low, due to a drop in exports.

During July 1967-January 1968, exports of Connecticut Valley wrapper were 8 percent smaller than a year earlier. Destinations reducing takings included the United Kingdom, Canada, and the Canary Islands. Exports to West Germany gained appreciably. Exports of Georgia-Florida wrapper were more than double the low level of a year earlier. West Germany, Canary Islands, East Germany, Belgium, and the Netherlands, took more, while Canada reduced its takings.

Table 31.--Cigar wrapper tobacco, types 61-62: Domestic supplies, disappearance, and season average prices, for specified periods

Year	Production	Stocks, July 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	(Farm-sales weight)						
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.
	Connecticut Valley Shade-grown (type 61)						
1957	11.8	11.4	23.2	10.1			205.0
1958	10.2	13.1	23.3	10.3	6.9	3.4	235.0
1959	10.7	13.0	23.7	8.6	6.1	2.5	210.0
1960	12.0	16.2	28.2	11.3	8.8	2.5	190.0
1961	10.3	16.9	27.2	12.0	8.7	3.3	235.0
1962	11.9	15.2	27.1	11.1	8.3	2.8	250.0
1963	12.0	16.0	28.0	14.1	10.0	4.1	260.0
1964	13.5	13.9	27.4	13.1	10.0	3.1	250.0
1965	14.6	14.3	28.9	12.6	9.3	3.3	250.0
1966	13.7	16.3	30.0	14.0	10.5	3.5	295.0
1967 2/	10.6	16.0	26.6				
	Georgia-Florida Shade-grown (type 62)						
1957	7.1	7.1	14.2	6.7			190.0
1958	6.3	7.5	13.8	6.5	4.6	1.9	185.0
1959	7.8	7.3	15.1	7.5	6.1	1.4	195.0
1960	9.3	7.7	17.0	6.5	5.5	1.0	200.0
1961	8.8	10.5	19.3	9.1	6.5	2.6	190.0
1962	7.4	10.2	17.6	8.5	6.4	2.1	205.0
1963	6.7	9.1	15.8	7.6	5.3	2.3	205.0
1964	7.6	8.2	15.8	8.5	7.3	1.2	235.0
1965	8.3	7.3	15.6	7.4	5.6	1.8	225.0
1966	7.3	8.2	15.5	6.8	6.1	.7	185.0
1967 2/	7.9	8.7	16.6				
	Total Shade-grown (types 61-62)						
1957	18.9	18.5	37.4	16.8	11.5	5.3	199.0
1958	16.5	20.6	37.1	16.8	11.5	5.3	216.0
1959	18.5	20.3	38.8	16.1	12.2	3.9	204.0
1960	21.3	23.9	45.2	17.8	14.3	3.5	194.0
1961	19.1	27.4	46.5	21.1	15.2	5.9	214.0
1962	19.3	25.4	44.7	19.6	14.7	4.9	233.0
1963	18.7	25.1	43.8	21.7	15.3	6.4	240.0
1964	21.1	22.1	43.2	21.6	17.3	4.3	245.0
1965	22.9	21.6	44.5	20.0	14.9	5.1	241.0
1966	21.0	24.5	45.5	20.8	16.6	4.2	257.0
1967 2/	18.5	24.7	43.2				

1/ Year beginning July 1.
2/ Subject to revision.

Table 32.--Acreage of tobacco in the United States, by class and type, average 1955-59 and 1960-64, annual 1965-68 with percentages

Class and type	Average 1955-59	Average 1960-64	1965	1966	1967 1/	1968 2/	Percentage change 1967 to 1968
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	Pct.
Va. and N.C. Old and Middle Belts, type 11	276.9	248.8	202.8	214.5	213.9	199.0	-7.0
Eastern North Carolina, type 12	250.6	221.4	182.0	201.0	197.0	178.0	-9.6
N.C. Border and S.C. Belt, type 13	153.5	134.2	111.6	119.5	130.5	108.5	-16.9
Georgia and Florida, type 14	91.3	84.0	65.9	74.3	85.5	69.5	-18.7
Total flue-cured, types 11-14	772.3	688.4	562.3	609.3	626.9	555.0	-11.5
Virginia, type 21	7.8	7.3	7.6	6.0	5.4	5.3	-1.9
Kentucky and Tennessee, type 22	23.1	19.5	16.7	15.4	13.8	13.6	-1.4
Kentucky and Tennessee, type 23	8.7	7.5	6.6	5.6	4.4	4.2	-4.5
Total fire-cured, types 21-23	39.6	34.3	30.8	27.0	23.6	23.1	-2.1
Burley, type 31	305.0	319.7	277.1	240.7	238.3	238.2	0
Maryland, type 32	40.3	38.4	33.5	35.0	33.0	33.0	0
Ky.-Tenn. One Sucker, type 35	10.5	8.8	7.5	7.2	6.9	6.8	-1.4
Kentucky Green River, type 36	5.4	4.5	3.8	3.5	3.3	3.1	-6.1
Virginia sun-cured, type 37	2.7	1.9	1.8	1.4	1.2	1.1	-8.3
Total dark air-cured, types 35-37	18.6	15.2	13.1	12.1	11.4	11.0	-3.5
Pennsylvania Seedleaf, type 41	29.7	29.4	27.0	24.0	22.0	21.0	-4.5
Ohio Miami Valley, types 42-44	3.8	4.1	3.7	3.2	2.3	2.1	-8.7
Total cigar filler, types 41-44	33.5	33.5	30.7	27.2	24.3	23.1	-4.9
Connecticut Valley Broadleaf, type 51	3.9	1.8	1.9	1.3	1.1	1.1	0
Mass.-Conn. Valley Havana Seed, type 52	2.5	1.2	.7	.5	.4	.4	3/5.3
Southern Wisconsin, type 54	4.8	5.0	4.7	3.9	3.8	3.8	0
Northern Wisconsin, type 55	8.3	7.4	6.2	5.4	4.5	4.1	-8.9
Total cigar binder, types 51-55	19.5	15.4	13.5	11.1	9.8	9.4	-4.1
Connecticut Valley Shade-grown, type 61	8.0	8.0	9.3	8.8	8.5	8.4	-1.2
Georgia and Florida Shade-grown, type 62	5.3	5.5	6.3	5.8	5.1	5.0	-2.0
Total cigar wrapper, types 61-62	13.3	13.5	15.6	14.6	13.6	13.4	-1.5
Louisiana Perique, type 72	.2	.3	.3	.2	.2	.2	0
Total all types	1,242.3	1,158.7	976.9	977.2	981.1	906.4	-7.6

1/ Subject to revision. 2/ Farmers' intentions as of March 1. 3/ Computed from unrounded data.

Table 33.--Cash receipts from farm marketings and tobacco, average 1950-54, annual 1955-67 with percentages

Period	Cash receipts				Tobacco as a percentage of--	
	Livestock and products	All crops	Total farm	Tobacco	All crops	Total cash receipts
	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Pct.	Pct.
Average: 1950-54	17,432	13,504	30,936	1,119	8.3	3.6
1955	15,967	13,523	29,490	1,225	9.1	4.2
1956	16,363	14,038	30,401	1,162	8.3	3.8
1957	17,376	12,338	29,714	971	7.9	3.3
1958	19,227	14,229	33,456	1,020	7.2	3.0
1959	18,863	14,648	33,511	1,060	7.2	3.2
1960	18,909	15,090	33,999	1,154	7.6	3.4
1961	19,391	15,532	34,923	1,325	8.5	3.8
1962	20,025	16,162	36,187	1,321	8.2	3.7
1963	19,926	17,282	37,208	1,269	7.3	3.4
1964	19,817	17,233	37,050	1,414	8.2	3.8
1965	21,845	17,250	39,095	1,185	6.9	3.0
1966	24,836	18,383	43,219	1,211	6.6	2.8
1967 1/	24,161	18,310	42,471	2/1,388	7.6	3.3

1/ Preliminary. 2/ Differs from estimate shown in February 1968 Farm Income Situation because of inclusion of more up-to-date information.

Table 34.--Total expenditures for tobacco products, 1946-67

Year	Total	Cigarettes	Cigars	Other 1/	Year	Total	Cigarettes	Cigars	Other 1/
	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.		Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.
1946	3,478	2,656	542	280	1956	5,481	4,681	556	244
1947	3,869	3,044	547	278	1957	5,877	5,072	562	243
1948	4,143	3,307	548	288	1958	6,182	5,341	584	257
1949	4,246	3,437	520	289	1959	6,764	5,854	629	281
1950	4,392	3,586	514	292	1960	7,187	6,244	649	294
1951	4,685	3,876	526	283	1961	7,472	6,538	631	303
1952	5,073	4,246	545	282	1962	7,608	6,675	634	299
1953	5,264	4,436	560	268	1963	8,004	7,055	649	300
1954	5,104	4,292	552	260	1964	8,113	7,024	765	324
1955	5,217	4,409	550	258	1965	8,651	7,609	734	308
					1966	9,023	7,996	720	307
					1967 2/	9,460	8,450	710	300

1/ Smoking, chewing, and snuff. 2/ Preliminary; subject to revision.

Table 35.--Federal and State tax revenues from tobacco products for specified periods

Period	Federal				States 2/	Total Federal and State
	Cigarettes	Cigars	Chewing, smoking, and snuff	Total 1/	All tobacco products 3/	
	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.
Average: 1950-54	1,445	45	28	1,518	471	1,989
1955	1,530	46	20	1,596	500	2,096
1956	1,576	45	18	1,639	573	2,212
1957	1,639	46	18	1,704	614	2,318
1958	1,750	49	18	1,817	673	2,490
1959	1,792	51	17	1,860	841	2,701
1960	1,887	50	17	1,955	998	2,953
1961	1,950	50	17	2,019	1,070	3,094
1962	1,961	50	16	2,030	1,130	3,160
1963	2,047	51	17	2,116	1,225	3,341
1964	1,987	62	18	2,069	1,264	3,333
1965	2,014	58	16	2,090	1,482	3,572
1966	1,993	56	4/	2,051	1,633	3,684
1967 5/	2,111	56	4/	2,169	6/1,760	3,929

1/ Includes leaf dealer penaltiea, floor taxes, cigarette papers and tubes, etc. 2/ Includes District of Columbia. 3/ Cigarette taxes--about 98 percent of total. 4/ The Federal excise tax on chewing, smoking, and snuff was repealed effective January 1, 1966. Taxes incurred prior to repeal but paid in 1966 totaled about $510,000. 5/ Preliminary. 6/ Estimated. General note: Local government taxes from tobacco products in fiscal 1965/66 totaled $105 million.

Compiled from reports of the Internal Revenue Service, the National Tobacco Tax Association, and other sources.

STATISTICAL SUMMARY

Item	Unit or base period	1967 Jan.	1967 Feb.	1968 Jan.	1968 Feb.	Last data as percentage of a year earlier
Average price at auctions						
Flue-cured	Ct. per lb.	57.8	Closed	55.3	Closed	96
Burley	Ct. per lb.	64.4	62.7	71.3	64.0	102
Maryland	Ct. per lb.	Closed	Closed	Closed	Closed	---
Virginia fire-cured	Ct. per lb.	41.1	32.8	40.8	36.2	110
Ky.-Tenn. fire-cured	Ct. per lb.	42.2	41.2	45.6	46.3	112
Ky.-Tenn. dark air-cured	Ct. per lb.	36.9	34.8	41.8	30.7	88
Virginia sun-cured	Ct. per lb.	42.9	Closed	44.4	27.8	103
Support price 1/						
Flue-cured	Ct. per lb.	59.9		61.1		103
Burley	Ct. per lb.	61.8		63.5		103
Maryland	Ct. per lb.	No support		No support		---
Virginia fire-cured	Ct. per lb.	41.9		43.1		103
Ky.-Tenn. fire-cured	Ct. per lb.	41.9		43.1		103
Ky.-Tenn. dark air-cured	Ct. per lb.	37.3		38.3		103
Virginia sun-cured	Ct. per lb.	37.3		38.3		103
Connecticut Valley cigar binder	Ct. per lb.	42.8		44.0		103
Wis. binder and Ohio filler	Ct. per lb.	30.9		31.7		103
Puerto Rican filler	Ct. per lb.	32.1		33.0		103
Parity index 2/	1910-14=100	339	338	346	348	103
Industrial production index 3/	1957-59=100	158	157	161	161	103
Employment	Mil.	72.2	72.5	73.3	74.1	102
Personal income 4/	Bil. dol.	610.4	612.6	650.9	658.4	107

Item	Unit or base period	1966-67 Dec.	1966-67 Jan.	1967-68 Nov.	1967-68 Dec.	1967-68 Jan.	Last data as percentage of a year earlier
Taxable removals							
Cigarettes	Bil.	38.1	41.3	42.5	36.6	41.1	100
Cigars and cigarillos	Mil.	511.4	585.4	722.8	536.5	634.6	108
Accumulated from Jan. 1							
Cigarettes	Bil.	522.5		491.2	527.8		101
Cigars and cigarillos	Mil.	8,173.9		7,433.9	7,970.3		98
Invoiced to domestic customers, Accumulated from Jan. 1							
Smoking tobacco	Mil. lb.	65.3			62.7		96
Chewing tobacco	Mil. lb.	64.2			64.3		100
Snuff	Mil. lb.	29.5			28.9		98
Tax-exempt removals							
Cigarettes	Bil.	3.5	3.4	4.1	3.9	3.4	100
Exports	Bil.	1.5	1.8	1.8	2.0	1.6	89
Cigars and cigarillos	Mil.	16.2	18.7	13.2	11.2	11.5	61
Accumulated from Jan. 1							
Cigarettes	Bil.	46.1		45.1	49.0		106
Exports	Bil.	23.4		21.6	23.7		101
Cigars and cigarillos	Mil.	193.1		185.3	196.5		102
Invoiced for export							
Accumulated from Jan. 1							
Smoking tobacco	Mil. lb.	1.5			2.0		133
Chewing tobacco	Mil. lb.	.6			.6		100
Wholesale price indexes 5/							
Cigarettes (reg. nonfilter)	1957-59=100	114.1	114.1	119.9	119.9	119.9	105
Cigars	1957-59=100	100.7	100.7	100.9	100.9	101.1	100
Smoking tobacco	1957-59=100	130.2	130.2	130.2	130.2	130.2	100
Plug chewing tobacco	1957-59=100	133.3	133.3	133.3	133.3	133.3	100
Snuff	1957-59=100	124.7	124.7	127.3	127.3	127.3	102
Consumer price indexes (urban) 6/							
Cigarettes (reg. nonfilter)	1957-59=100	133.0			142.5		107
Cigarettes (filter tip king)	Mar.1959=100	126.7			134.8		106
Cigars (domestic reg. size)	1957-59=100	102.6			103.7		101
Imports of tobacco							
Cigarette leaf	Mil. lb.	10.6	11.4	13.2	10.1	12.1	106
Cigar tobacco 7/	Mil. lb.	3.9	5.8	6.7	5.9	6.7	116
Accumulated from Jan. 1							
Cigarette leaf	Mil. lb.	138.0		142.6	152.7		111
Cigar tobacco 7/	Mil. lb.	64.9		63.9	69.8		108

See footnotes at end of table.

Continued -

STATISTICAL SUMMARY--CONTINUED

Item	Unit or base period	1966-67 Dec.	1966-67 Jan.	1967-68 Nov.	1967-68 Dec.	1967-68 Jan.	Last data as percentage of a year earlier
Exports of leaf tobacco (farm-sales weight)							
Flue-cured	Mil. lb.	72.6	31.9	67.3	65.3	39.2	123
Burley	Mil. lb.	4.1	3.5	2.6	4.8	3.0	86
Maryland	Mil. lb.	1.5	1.5	2.4	.8	.3	20
Virginia fire- & sun-cured	Mil. lb.	.5	.6	.5	.8	.7	117
Ky.-Tenn. fire-cured	Mil. lb.	2.0	2.0	2.2	2.2	2.3	115
Ky.-Tenn. dark air-cured	Mil. lb.	.2	.1	.3	0	.1	100
Black Fat	Mil. lb.	.3	.4	.2	.6	.3	75
Cigar wrapper	Mil. lb.	.2	.1	.3	.3	.3	300
Connecticut binder	Mil. lb.	*	*	.2	*	.1	---
Wisconsin binder	Mil. lb.	*	.1	0	0	*	---
Accumulated from beginning of marketing year 8/							
Flue-cured	Mil. lb.	367.4	399.4	243.0	308.4	347.6	87
Burley	Mil. lb.	13.2	16.7	6.5	11.3	14.3	86
Maryland	Mil. lb.	4.8	6.3	3.2	4.0	4.3	68
Virginia fire- & sun-cured	Mil. lb.	3.9	4.5	1.1	1.9	2.6	58
Ky.-Tenn. fire-cured	Mil. lb.	5.1	7.2	4.9	7.1	9.4	131
Ky.-Tenn. dark air-cured	Mil. lb.	.5	.6	.3	.3	.4	67
Black Fat	Mil. lb.	.7	1.1	.4	1.0	1.3	118
Cigar wrapper	Mil. lb.	2.1	2.2	1.8	2.1	2.4	109
Connecticut binder	Mil. lb.	.1	.1	.3	.3	.4	400
Wisconsin binder	Mil. lb.	.1	.1	0	0	*	---
Cigar filler	Mil. lb.	.8	.8	.1	.3	.4	50
Exports of manufactured tobacco in bulk	Mil. lb.	2.0	.7	.7	1.6	.5	71
Accumulated from Jan. 1	Mil. lb.	14.8		14.3	15.9		107

Item	Unit or base period	Quarterly data 1966-67 Oct.-Dec.	1966-67 Jan.-Mar.	1967-68 Oct.-Dec.	1967-68 Jan.-Mar.	Last data as percentage of a year earlier
Stocks of tobacco--1st of quarter 9/						
Domestic types (farm-sales weight)						
Flue-cured	Mil. lb.	2,736	2,820	2,621	2,844	101
Burley	Mil. lb.	1,395	1,570	1,382	1,666	106
Maryland	Mil. lb.	100	90	96	86	96
Fire-cured	Mil. lb.	113	103	106	95	92
Dark air- and sun-cured	Mil. lb.	65	66	65	66	100
Cigar filler	Mil. lb.	196	176	168	152	86
Cigar binder	Mil. lb.	70	68	66	61	90
Cigar wrapper	Mil. lb.	31	31	30	32	103
Under Government loan 10/	Mil. lb.	1,127	1,156	1,091	**1,311	113
Tobacco sheet 11/						
Cigarette types	Mil. lb.	12.6	15.7	19.2	19.7	125
Cigar types	Mil. lb.	2.4	2.2	2.1	2.4	109
Foreign types (unst. equiv.)						
Cigarette and smoking	Mil. lb.	325	329	372	403	122
Cigar	Mil. lb.	107	96	85	78	81
Tobacco outlets 12/						
Seasonally adjusted data, annual rates, for charts, p. 2:						
Cigarettes						
Production	Bil.	557	566	559	574	101
Tax-paid removals	Bil.	518	511	520	516	101
Cigar production	Bil.	8.00	8.06	8.13	8.13	101
Smoking production	Mil. lb.	67.5	63.9	69.4	66.0	103
Scrap	Mil. lb.	33.8	33.8	34.8	34.5	102
Plug and other	Mil. lb.	30.4	30.6	29.9	30.0	98
Snuff production	Mil. lb.	29.6	29.0	30.4	28.8	99
Exports of leaf						
Total	Mil. lb.	705	701	634	731	104
Flue-cured	Mil. lb.	559	602	502	637	106

1/ 1967 and 1968 crops respectively. 2/ Prices paid by farmers including interest, taxes and wage rates. 3/ Seasonally adjusted. 4/ Seasonally adjusted, annual rate. 5/ Excise tax excluded. 6/ Federal and applicable state and local taxes included. 7/ Farm-sales weight equivalent. 8/ July 1 for flue-cured and cigar wrapper and October 1 for others. 9/ Holdings of manufacturers and dealers including grower cooperatives. 10/ Reported by grower cooperatives. 11/ Weight of tobacco leaf not including stems added. 12/ Data for most recent quarter are preliminary estimates. * Less than 50,000 pounds. ** Of this quantity, approximately 130 million pounds had been sold.

Index of Special Items, Tables, and Charts in 1967 Issues of the Tobacco Situation

Each issue of the Tobacco Situation carries discussion and standard statistical tables which cover (1) cigarettes, cigars, and other manufactured tobacco products, (2) exports, foreign production and United Kingdom data, (3) imports and (4) each of the different kinds of leaf tobacco. The discussion and regular tables contain current estimates and comparable data for earlier years. Also included in each issue are 6 standard charts that depict recent trends in manufactured tobacco products and leaf tobacco exports. In addition, various issues of the Tobacco Situation contain special items, special-purpose tables and charts; the following index provides references to such material published during calendar year 1967:

Special Items:	1967 Issue
Acreage-poundage program disapproved by burley growers	March
Lease and transfer of acreage allotments	September
Price increases on cigarettes	June
Tobacco tariff changes ("Kennedy Round")	September
Tobacco used in roll-your-own cigarettes	March
Statistical Tables:	
All tobacco leaf combined: Supply, domestic use, exports, etc.	December
British tobacco imports by source:	
Calendar years	March (also this issue)
Fiscal years	September
Burley price spreads among grades	March (also this issue)
Cash receipts from farm marketings:	
Tobacco and total, major tobacco States	June, September
Tobacco and total, U.S.	March (also this issue)
Cigarette manufacture--use of tobacco:	September
Kinds of tobacco used	
Percentage distribution by kinds	
Tobacco used per 1,000 cigarettes	
Cigarette output, filter and nonfilter tips	March (also this issue)
Consumption per capita:	
18 years and over:	
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Snuff and indexes on basis of product weight	Mar., Sept. (also this issue)
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